JPRS 77487

2 March 1981

... FBIS 40TH YEAR 1941-81 ...

Near East/North Africa Report

No. 2277

FBIS FOREIGN BROADCAST INFORMATION SERVICE

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26 February 1981

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On behalf of all of us in FBIS I wish to express appreciation to our readers who have guided our efforts throughout the years.

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BANK STUDY DEBUNKS MYTHS ABOUT ARAB INVESTMENT

London 8 DAYS in English 31 Jan 81 pp 36-39

[Article by Nigel Ash]

[Text] GOVERNMENT and private Arab investment in the US, the most popular haven for Middle East petrodollars, accounts for less than one per cent of all foreign financial investment in that country. This information is contained in perhaps the most comprehensive study ever undertaken of the assets and investment policies of oil-producing Arab states. Though the study comes from an associate company of Chase Manhattan Bank — the Chase World Information Corporation — it has remarkably few western axes to grind.

On the reality behind claims that Arab money is buying up the West, the study's author John Law comments: 'Even if there were a strategic plan by Arab oil producers to dominate Europe or the United States, they would have moved only an inch along a 100-mile road.'

In the last few years US publications have carried stories of Middle East buying of prime US farm land. Though the acreages involved sound large, Law puts the purchases into perspective: 'Only three per cent of US farm acreage changes hands yearly; only five per cent of the three per cent is purchased by foreign buyers; only one per cent of the five per cent of the three per cent is bought by Arabs.'

It was once a popular US pastime to work out how many days of Arab oil production it would need to buy out major companies. Law recalls that it was established that it would take 210 days to buy up the computer giant IBM, and 374 days to snap up all the farmland in the state of Iowa.

But the underlying flaw behind such assumptions was, as Law makes clear, the fact that for most Arab oil producers oil revenue is their only source of income, from which they have to live and invest in their development and their future. With a waspish humour typical of this economic study, Law points out: 'Using similar logic, it could be said that the American people produce so much in goods and services each year ($2,000 bn worth) that they can buy up all of Great Britain, France, West Germany and Switzerland and still have enough money left over to buy 15 Saudi Arabias.'

The present volume dealing with Arab investment overseas is the first of a pair to be written by Law. The second will deal with Arab investment in the Middle East. The present study does not deal with Algeria, which invests all income internally, or Iraq, where there are virtually no private investors. Inevitably it concentrates on the three Gulf states — Kuwait, Saudi Arabia and the United Arab Emirates — which between them hold three-quarters of all the investible surpluses of Arab oil-producing countries and whose citizens are responsible for 90 per cent of all private investment from the Middle East.

The traditions of secrecy, and especially financial confidentiality, in the Middle East have been badly bruised by the publicity that followed much Arab investment in western businesses. Some coverage of these commercial moves has been fair, but in other cases headlines such as 'The Arabs are Coming!' — which greeted a Kuwaiti move to take over a [illegible]ish property company — have caused Middle East investors as a whole to be very shy of any publicity to the extent, as Law points out, that they drop excellent deals purely because news had leaked out.

In 1974, when the Kuwait ministry of finance took over 14.6 per cent of the Daimler-Benz company, there was an outcry in the West German press about

imminent Arab 'domination' of German companies. Comments Law: 'These charges so disturbed the Kuwaiti government — which did not intend even to have a management role in the auto company, much less dominate the West German economy — that, when it purchased 30 per cent of a West German steel group in 1975, it kept the deal secret for more than three years.'

After the United States, Britain is the second most popular area for Arab petrodollar investment, especially for Kuwait, which has been oil-rich longer than any other Gulf state and also has close ties with London dating back to the days when the country was under British protection.

Kuwait, says Law, is such a small country that much of its 'infrastructural and industrial modernisaton' has already been completed. He adds that all that remains to be done, according to some humorists, is to cover the country with an air-conditioned dome. Alone of the oil producers, Kuwait has established a 'retirement fund' for use when the oil runs out. Known officially as 'the Reserve Fund for Future Generations' the reserve was started in 1976 with a $3bn grant from the government, which now adds to it at least ten per cent of each year's oil revenues. The money cannot be touched for the next 25 years.

This ever-growing block of capital is only part of Kuwait's accumulated wealth. There is also the State General Reserve, and the cash accounts of various state organisations, which at the end of 1979 amounted to more than $48bn. Law estimates that $36bn of this was invested outside Kuwait — more than $32bn in non-Arab foreign markets in the form of property, equities, long-term bonds, money market instruments and deposits.

The income from these state and quasi-state investments was reckoned in 1980 to amount to $6bn. On top of this money, the Chase report says that around $18bn of private money is invested abroad. Khaled Abu Suud, who evolved Kuwait's official investment strategy, once told Chase World Information Corporation that his strategy had been to secure 'tangible, non-risky, long-term investments with a reasonable yield, keeping in mind the needs of future generations.'

The Kuwaiti attitude towards money speculation is mirrored by the Saudis and the UAE. The weakness of the dollar caused little shift away from dollar investments. The opening up of Swiss, Japanese and West German currencies for investment provided a welcome opportunity to diversify, using newly-earned wealth. But even the freezing of Iran's US assets caused little action against the dollar.

Law makes the point that Saudi Arabia's long-term financial strategy is very different from Kuwait's. In 1980 it is estimated that Saudi Arabia had more than $75bn of surplus assets (increasing at $2bn a month), all managed by the Saudi Arabian Monetary Authority (SAMA). The Saudi government does not intend to rely on investment income when the oil begins to run out. Instead it is planning a productive future and SAMA funds are earmarked for development of factories, maintenance of the country's infrastructure and payment of government salaries.

Nearly all SAMA's funds are invested abroad, around 40 per cent with foreign banks and 60 per cent in government securities. It also goes for top-rated industrial companies. Half of the money is in the US although, says Chase, three-quarters of all their monies are denoted in US dollars. For an organisation wielding such huge sums, SAMA has a small staff and farms out much of its investment work to multinational banks. It is conservative and highly selective in its investments — for instance, deposits are made only in the 75 banks on an 'approved list'.

The surplus funds of the UAE are modest ▶ when ranged alongside those of its two neighbours — just $10bn, says Chase. They are managed by the Abu Dhabi Investment Authority (ADIA), whose secretary general Ghanem al Mazrui told Chase that ADIA's investment policy was to seek security, long-term growth and a reasonable yield. Much of UAE financial distribution is made through financial institutions in the countries where the investments are placed: two ADIA subsidiaries, the Abu Dhabi Investment Corporation (ADIC) and the National Bank of Abu Dhabi, also pass out funds abroad. ADIC specialises in managing loans and underwriting bonds on the euromarket.

The growing state wealth of all Arab oil producers has, especially since the 1974 price rises, created a large number of private fortunes. Kuwait in proportion to its size is thought to have the largest number of wealthy individuals seeking investment opportunities for their surplus funds (estimated at around $18bn). Kuwait has limited investment scope, so inevitably the rich man turns abroad.

Selected list of Arab investments in United States since 1974

name of property	location	% owned	investor(s)	nationality of investor(s)	cost ($m)	type of investment
Kiawah Beach Company	South Carolina	100	Kuwait Investment Company	Kuwaiti	17.5	real estate
Atlanta Center	Georgia	100	Kuwait Investment Company	Kuwaiti	85	hotel and commercial complex
Columbia Plaza	Washington, D.C.	100	Kuwait Investment Company	Kuwaiti	22	office building
Union Bank Building	California	100	N/A	Saudi	60	real estate
DuQuoin State Fair	Illinois	100	S. Jabr	Jordanian	N/A	amusement and recreation services
Beacon Hill (A. Godfrey estate)	Virginia	100	The Vanguard Company, N.V. (T. al-Saud)	Saudi	5.2	cattle farm
Godfrey Estate	Virginia	100	The Vanguard Company, N.V. (T. al-Saud)	Saudi	5	real estate
land (138 acres)	Florida	100	A. M. Baroom	Saudi	3.1	real estate
land	Colorado	100	M. Kayal	Saudi	0.7	real estate
22 acres of land: Houston Galleria	Texas	100	A. Khassoggi	Saudi	N/A	real estate
Shakerag Farms	Georgia	100	Hanoon Investment (Netherlands)	Saudi	3	real estate
Ivanhoe Hotel	Florida	100	Tahlawi Holding Company Ltd.	Saudi	4.5	real estate
Baltimore Hilton Hotel	Maryland	100	N/A	Kuwaiti	N/A	real estate
Harding Livestock and Land Company	Idaho	100	KIC	Kuwaiti	N/A	agribusiness
1 Broadway (office building)	New York	100	N/A	Libyan	12	real estate
Eden Roc Hotel (Miami Beach)	Florida	100	Tarek Wajdi Investments, N.V.	Saudi	12.5	hotel
Highland Towers	Washington, D.C.	100	Arab syndicate	N/A	N/A	apartment and hotel complexing
20 Boston buildings belonging to Maurice Gordon and Son Realty	Massachusetts	100	United Real Estate Company	Kuwaiti	23	real estate
Office complex	Florida	100	Youssef Jamil	Saudi	49	real estate
Salt Lake International Center	Utah	100	Triad	Saudi	N/A	740 acres for commercial and industrial park
International Systems, Inc.	Alabama	100	Redec	Saudi	10	Modular building company
Warner Communications Building	New York	100	Abdu and Mohammed al-Fayed	Qatari	N/A	real estate
Envirogenics Systems	California	100	Sogex International	Saudi	N/A	industrial company
land (376 acres)	Virginia	100	N/A	Saudi	N/A	real estate
Millard Plaza Shopping Center	Oklahoma	100	N/A	N/A	4.3	real estate
land	New Jersey	100	N/A	N/A	25	real estate
office building	New Jersey	100	N/A	N/A	5	real estate
land	New Jersey	100	N/A	N/A	10	real estate
Cone Cattle Ranch	Florida	100	A. K. Florida Properties	Saudi	10.1	real estate
Houston Galleria Property	Texas	100	KIC	Kuwaiti	15	real estate
Hilton Hotel	Greensboro North Carolina	100	J. al-Baker	Iraqi	N/A	real estate
Hilton Hotel	Raleigh North Carolina	100	J. al-Baker	Iraqi	N/A	real estate

Saudi Arabia, with its far larger internal development plans, offers greater opportunity for its wealthy to take a stake in their own country's future. Only around $20bn of private capital is thought to be invested abroad, a small proportion of the country's wealth. Of the UAE, Law writes: 'Investment capital . . . is on a much smaller scale than in either Saudi Arabia or Kuwait. Although there are conspicuous exceptions, there are few big fortunes of the Saudi or Kuwaiti variety.

'The UAE is smaller, has less oil, and has been producing it for a much shorter time. And the oil revenues have not filtered down into the private sector as quickly. Many of the UAE's wealthier families have invested heavily in local development and real estate projects and have locked in their capital.'

The Chase study underlines the extent of Arab foreign aid to LDCs. 'The Arab producers who already have the world's largest foreign aid programmes in proportion to the gross national products . . . do not consider themselves responsible for solving the Third World's balance of payments problems — particularly if they should take risks that western governments and financial institutions were not prepared to take themselves.'

This assertion, while perhaps fair in that Arab oil states rightly feel no responsibility for the problems of recycling of their petrodollars through the international banking system, ignores the very real help that many states have given to individual Third World countries in the shape of preferred oil shipments at cut rates or loans to pay for increasing oil bills.

CSO: 4820

BRIEFS

HABASH RETURNS TO BEIRUT--AL-SAFIR has learned that George Habash, the secretary general of the Popular Front for the Liberation of Palestine, will return to Beirut soon following a series of treatment in East Europe. Informed sources have said that Habash, who is now in Czechoslovakia, has completely recovered from his indisposition and that he is carrying out his work normally following a series of treatment which lasted about 6 months. [Excerpt] [NC190936 Beirut AL-SAFIR in Arabic 16 Feb 81 p 1]

JORDANIAN, LEBANESE INDUSTRIAL TALKS--The Jordanian side, under Industry and Trade Minister Walid 'Asfur, and the Lebanese side, under Industry and Oil Minister Muhammad Yusuf Baydun, met today at the Hall of Conferences in the Industry and Trade Ministry. During the meeting, aspects of joint cooperation and ways of developing and promoting economic relations between Jordan and Lebanon were discussed. The meeting was attended on the Jordanian side by: Finance Minister Salim Masa'idah and Central Bank governor Dr Muhammad Sa'id al-Nabulsi, and on the Lebanese side by Ibrahim Shuwayri, general director of the Industry and Oil Ministry, and Dr Robert 'Abduh, legal adviser in the ministry. The Lebanese delegation arrived in Amman this morning on a short visit to Jordan. [Text] [JN051321 Amman Domestic Service in Arabic 1200 GMT 5 Feb 81]

LOAN TO MOROCCO--The Islamic Development Bank and Morocco today signed an agreement whereby the bank will finance Morocco's import of crude oil from the UAE to the tune of U.S.$20 million. The agreement was signed by the bank's governor and the Moroccan ambassador. [GF180513 Riyadh Domestic Television Service in Arabic 1800 GMT 17 Feb 81 GF]

CSO: 4802

PROVISIONS OF FOREIGN STUDY LAW TO BE LIBERALIZED

Cairo AL-AKHBAR in Arabic 28 Dec 80 p 6

[Article by Karimah 'Abd-al-Razzaq: "Law Governing Student Missions, Fellowships and Loans To Be Amended"]

[Text] The law governing student missions, study leaves, and fellowships is slated for amendment. In order to introduce amendments and eliminate those provisions which are incompatible with the burgeoning activity in foreign study missions, the executive committee on university study abroad has begun to reexamine the provisions of the current law, which was enacted in 1959.

This was disclosed by Dr Talabah 'Uwaydah, president of Al-Zaqaziq University.

He added that the committee had on more than one occasion devoted its meeting to a study of the provisions of the law, and had decided to eliminate several provisions and amend others. Among them are articles 5, 7, 10, 14, 20, and 36, which have hindered university authorities in their attempts to send missions abroad and even in their ability to accept grants from abroad. One provision makes it a violation of the law for anyone to be late in completing his study mission, and prevents the member of a mission from obtaining his stipend if he has received his degree from abroad [more than] one month prior [to his return]. The current law gives the Ministry of Education control over participants in student missions and study leaves, as well as other powers which impede the pursuit of higher education abroad.

Dr 'Uwaydah said, "Several more meetings, at which representatives of the universities and the higher committee will be present, are scheduled to be held in the coming weeks to finish drafting the new text to amend the law pertaining to missions, grants and [study] leaves.

9123
CSO: 4802

TWO SABOTEURS TO BE TRIED

Cairo AL-AKHBAR in Arabic 8 Dec 80 p 1

[Article by Fu'ad al-Zaghbi: "Two Accused Of Plotting To Commit Sabotage In Egypt Remanded To National Security Court; the Two Made Contact With an Opposition Party Which Informed the Police"]

[Text] Following submission of the results of an investigation to the prosecutor general, Justice Salah-al-Din al-Rashidi, Public Attorney Justice Raja' al-'Arabi announced a decision to remand two defendants--one a Libyan, the other Egyptian--to national security court on charges of plotting to commit acts of sabotage in Egypt. The Libyan defendant, 27 year old Muhammad Mawlud Mas'ud, an employee of the Libyan intelligence service, has been imprisoned in Cairo. The Egyptian defendant, Muhammad 'Abd-al-Mun'im 'Abbas Muhammad 'Ali, is the brother-in-law of the Libyan defendant, and had been director of operations at the telecommunications center. He has been jailed pending trial.

On orders from the leaders of the Libyan intelligence service, he went to Egypt. He then got in touch with his brother-in-law to plan acts of sabotage in Egypt. The two defendants contacted an official of the Socialist Labor Party in Sharbin and offered him a million pounds to assist them in their task in Egypt. The party official pretended to go along with them and reported the matter to the party chairman, who immediately informed the state security police. The security police requested surveillance of the two defendants until they were arrested last April. They were interrogated by Mahmud Hani 'Abd al-Fattah, first deputy prosecutor in the state security bureau.

On behalf of the prosecutor's office in the state security service Public Attorney Justice Raja' al-'Arabi handed down indictments to both Muhammad Mawlud Mas'ud and Muhammad 'Abd al-Mun'is 'Abbas, charging them with cooperating with the Libyan intelligence service to commit acts of sabotage in Egypt, and with making contact with a political organization and offering it material support for its help in forming an anti-government front, with the intention of harming the political center and the country's national interests. According to information the two defendants promised to give 1 million pounds to 'Abd al-Rahman Lutfi 'Abd al-'Ali, an official of the Socialist Labor Party in Sharbin, and 'Abd al-'Aziz Hilmi Muhammad Sadiq, the secretary of the party, in return for their cooperation with the Libyan regime.

The Libyan defendant admitted that he had been assigned to commit acts of sabotage in Egypt, and that he had paid $2,000 as a first payment toward this end. The Egyptian defendant confessed that he had made contact with the Socialist Labor Party and had offered them Libyan financial backing.

A search of the Libyan defendant's residence turned up exactly $1,540, 480 pounds, and 300 Greek drachmas. The public attorney ordered the case remanded to the supreme court of national security, within the jurisdiction of the Cairo appellate court, so that the two defendants can stand trial. He ordered them held in preventive custody pending the outcome of the case.

9123
CSO: 4802

FOCUS ON THE PHARMACEUTICAL PROBLEM IN EGYPT

Cairo AL-AHRAM AL-IQTISADI in Arabic 10 Nov 80 pp 34-39

[Article by Wajdi Riyad: "The Economic Dimension of the Medicine Problem"

[Text] For the past 5 years, the consumption of medicines has been increasing at an annual rate of 20 percent. It is a serious rate of increase. The entire state machinery has been aroused as the drug and pharmaceutical companies loudly and painfully protested the cost of the increase in their expenses and employment while private drug companies enjoyed ample profits and benefits both in their joint ventures and their foreign imports.

The serious increase in the rate of consumption of medicines has set the entire state machinery into motion. In addition, all the former ministers of health over the past 10 years, university professors, board chairmen of drug companies, former presidents of the pharmacists syndicate, former undersecretaries of the health ministry and financial, technical and planning managers have all added their voices and commented on the economic effects of the increase in medicinal consumption and the lessons of medicinal regulation. They have been joined by a host of health insurance officials, doctors, pharmacists and experts who came from the United States specifically to help in that regard.

The questions which they had to grapple with were the following: Is the increase in the consumption of medical drugs a healthy sign? Or is it merely a reflection of a higher level of income? Is our money being virtually smuggled outside the country in the sense that the state supports the prices of drugs at home while these prices are increasing in the outside world? What is the secret behind the increase in the consumption of medicines? Does it mean a sudden public awareness of the importance and uses of medicines--an awareness that mushroomed during the years of the economic open door policy which began in 1974? Have health insurance and medical awareness become more pervasive to the extent that greater segments of the population now enjoy health care? Are hospitals and rural health units overspending?

All these questions then have been raised in an attempt to find out what has caused the consumption of medicines to increase at an annual rate of 20 percent over the past 5 years. But first let us define the problem as it was perceived by those who are in charge of medicines and drugs in Egypt during a symposium on

the use of medicines. In this, we will heavily draw on the report submitted by the rapporteur of that symposium, Dr Abduh Salam, a former minister of health. Dr Salam is one of the pioneers in the pharmaceutical field and has been active in it since 1954, when medicines exclusively belonged to the private sector, until the early sixties when the pharmaceutical field was nationalized during his tenure as health minister. He is known for his views on the importance of Egyptian medicines as a strategic and vital commodity closely linked to the life and well-being of citizens. He is a major advocate of the social obligation to provide medicines to the citizen and the citizen's right to such a vital commodity.

Medicine is a double-edged weapon. At best, it is a useful poison. Over the past 30 years, scientists discovered many chemicals and antibiotics which proved capable of curing a large variety of diseases. Many simple medicinal preparations disappeared as a result. The new compounds were a formidable weapon because they had important remedial benefits. But they also had adverse side-effects. Perhaps the best known drug with adverse effects is thalidomide which has affected thousands of children in some European countries. Other medicines daily result in some serious side effects due to the misuse of such medicines.

It was therefore necessary to deal with such a serious situation by drawing up laws and regulations that control the consumption and dispensation of medicines and seek to educate members of the medical disciplines and the public.

Egypt began to face a problem when the use of medicines began to register alarming increases year after year while the state was fully assuming the responsibility of making medicines available to the public and regulating their prices and while the doors of distribution were thrown open indiscriminately and without a medical license, in order to bring prices down. On the other hand, members of the medical professions were prescribing medicines in an exaggerated manner.

Incidentally, this is not the first time that the producers and distributors of medicines have complained about higher consumption. The latest symposium was the tenth symposium in which the misuse of medicines was discussed and analyzed and in which solutions were proposed for the problem of medicines in an attempt to scale down and regulate consumption so as to alleviate the extra burden which the sharp increase in the consumption of medicines has been placing on the budgets of the state and individual families in Egypt.

The first insight one gains from the symposium is the false pattern of consumption. This can be deduced from the figures, although the figures used in the symposium are somewhat muddled and show some discrepancies--an indication that the sources of these figures are imprecise. But the figures show that for the past 5 years, overall consumption of medicines increased at an annual rate of 20 percent. In 1975, the overall consumption of medicines amounted to about 88.4 million pounds--the value of medicines sold to the public. The annual per capita share, therefore, was 236 piasters. Five years later, the figure soared to 240 million pounds in total sales, or 584 piasters--about $8.00--per individual. And yet the per capita average [consumption] of medicine in Egypt is still below the standard prescribed by the World Health Organization as appropriate for the developing nations, namely, $12.00 per capita, or 784 piasters.

The new situation upset the balance of medicine in Egypt. While there is an unnecessary increase in the consumption of medicines, there is at the same time a sector of the population which still severly lacks medicines as well as an imbalance in the types of medicines that are being consumed. There are many examples to show that only those who can afford it consume medicines of vital and nonvital natures. Last year, for example, the use of antibiotics accounted for 18.58 percent of the overall consumption of medicines while vitamins of all types represented 11.74 percent of overall consumption. The balance of consumption here is quite clear. But the imbalance shows in the rate of consumption of medicines needed for indigenous diseases. While these diseases represent 60 percent of all diseases in Egypt, the consumption of medicines related to them represents only 1.37 percent of overall consumption.

The fact of the matter is that while Cairo and Alexandria represent about 27 percent of the total population of Egypt, they gobble 60 percent of the overall consumption of medicines. Does this mean that the pattern of consumption is based on the consumption of the cities only? Does it mean that the cities consume all or most of the medicines while the countryside is deprived of medicines? Does one quarter of the population consume 60 percent of the medicines used in Egypt? Has publicity influenced the population of the capital to this extent? This is the conclusion which can be drawn from our first insight into the findings of the symposium. Experts say that the pattern of drug consumption in Egypt is affected by many factors, the least of which is the need for medicines to treat real diseases. It is, therefore, an unreal and distorted pattern. This is what Dr Midhat al-Qattan, vice president of the Technical Secretariat for the Medicines Sector, says.

The second insight which can be gained from the symposium is that the sources of the surveys and information differ. Dr Salah 'Abd al-Qadir, of the Medicines Sector, says that the domestic plan pertaining to the supply of medicines aims at providing the maximum needs of the public, either through local production or importation. He says that domestic production covers more than 80 percent of our needs. This is somewhat exaggerated because the figures on imported medicines say something else. He says, for example, that the value of overall consumption jumped from 89 million pounds 5 years ago to 230 million pounds in 1980. Let's pause here for a moment. Dr Midhat al-Qattan says that the real figure is 240 million pounds, while Dr Salah 'Abd al-Qadir places the figure at 230 million pounds. Both figures are from the Technical Secretariat of the Medicines Sector. Why the discrepancy then?

When we look at the kind of medicnes that have registered sharp increases we find that there is greater demand for heart medicines, sedatives, tranquilizers, antibiotics, vitamins and hormones. Clearly, they are medicines that are mostly used by city dwellers. The people who live in the countryside do not use tranquilizers, vitamins, hormones or suffer overly much from heart diseases. Such medicines have become part and parcel of the hectic, strenuous and fast life in the city. They are the price of paved roads, air conditioners, color TV sets and luxury cars.

The third insight one gains from the symposium is that some medicines are more harmful than useful. For example, Dr Muhammad el-Dhawahiri, professor of skin diseases at Cairo University's medical school, says that some medicines have

harmful after-effects. Some of these can be very serious. About 5 to 15 percent of patients suffer from such adverse effects. Medicines that are taken orally, in suppository form, by injection or in the form of ointment can be harmful. The harm results from an overdose or from an imbalance of bacteria and germs in the body. Medicines can also affect embryos or unborn children. Persons with certain allergies can also be harmed by the wrong kind of medicine. Excessive use of medicines can also be harmful.

Dr Hamdi al-Sayyid, the dean of doctors in Egypt (42,000 doctors), says that one of every 5 cases which are admitted to hospitals for treatment is due to the excessive use of medicines. He says that this is a typical feature of medical life in Egypt. Doctors have a negative role in the misuse and misapplication of medicines because they are not well trained and prepared in the medical schools. Doctors also know very little about the applications of certain medicines. A doctor receives his information from scientific and foreign sources, especially those sources which are well-publicized and have a good informational service. Egypt, however, lacks a neutral medicinal apparatus to guide doctors. To this may be added the weakness of general medical practice in Egypt and the misinformed view of the average citizen that using a lot of medicines guarantees recovery from a disease.

The fourth insight concerns the effect of the medicine policy on central decisions. Directing consumption is the crux of a medicine policy. Insurance has had a clear positive impact in terms of reducing the number of medicines in circulation from 25,000 preparations to 3,000 preparations, although the World Health Organization affirmed that the number of medicines that can deal with all kinds of diseases is no more than 118. The share of local production in the pharmaceutical market jumped from 10 percent to 84 percent. All this is due to the role of the public sector and the effect of joint ventures and the economic open door policy.

Those who work in the field of medicines have an explanation for the increase in the consumption of medicines. They say that the state's health policy, the steady increase in population, the growth in health awareness, the greater number of workers and employees, the health insurance policy and the spreading of education have all contributed to the growth in the consumption of medicines from 15 million pounds in 1960-61, when the sector of medicines was nationalized, to 213 million pounds in 1979 then to 230 pounds this year. The serious thing is that the volume of consumption will reach 1,600 pounds in the year 2000.

What is needed is a review of the medical education system and the laws and regulations pertaining to medical trade unions and the practice of medicine and pharmacology. According to Dr 'Abd al-Malik 'Awf, former dean of the Mansurah college of pharmacology, importation laws should also be reviewed and consumption should be regulated.

Dr Sakariya Jad, undersecretary of the health ministry for pharmacology affairs, suggests that each single medical drug be evaluated so that it may be able [illegible] charge to draw a comparison between a drug's pros and cons. The drug could then be registered with special guidelines and instructions to the public. He calls for a pharmaceutical policy with clear purposes and objectives

and says that attention must be paid to the specifications of each medical preparation. A system to check the quality and effectiveness of medicines should be established, he says, and emphasis should be placed on research. The registration of any medicine should depend on its safety and effectiveness and its conformity to the required specifications.

One other insight that can be gained from the report points to a serious deficit in the balance of payment of medicines. The problem becomes even more serious if we look to the future. The director of the financial office of the Sayyid company, which is one of the seven biggest producers of medicines, paints a grim picture. In a study of the economic effects of the increase in the consumption of medicines, accountant Ibrahim Abu al-Wafa says that the consumption of medicines increased 14 times within 18 years! The price of a medicine is mandatory and all that we wanted to do was to reduce the costs of medicines. This made the companies bear a social cost, namely, the difference between the economical price and the mandatory price.

Plans call for the establishment of new factories to produce medicines locally (at the rate of 300 million pounds), according to the plan for the year 2000. This is in addition to the production of present factories--after their recent expansions--which cover the rest of the production goals, or 360 million pounds worth of medicines. This requires the following steps:

1) Our needs of raw materials in 2000 will reach 330 million pounds. The cost of raw materials will be 40 percent of the cost of production. Eighty percent of the necessary raw materials will have to be imported.

2) Our needs of packaging and bottling materials in 2000 will come to 145 million pounds. Their cost will be 20 percent of the cost of production. Sixty percent of those materials will have to be imported.

3) Since most of the raw materials and packaging and bottling materials will be imported, their prices will be affected by world inflation and will, therefore, increase annually.

4) Last year, wages amounted to 16 percent of production costs. Three years ago, they were 12 percent of production costs. These increases are all due to political decisions.

5) Three years ago, profits amounted to 24 percent of the cost of production. This year, the figure dropped to 13 percent.

A total of 120 million pounds should be invested in 2000 for the purpose of plant renovations and replacement of machinery which has exceeded their projected durability. In addition, 3 million pounds, aside from the necessary capital, are needed for the purpose of establishing new factories.

Finally, the deficit in the balance of payments in the sector of medicines was 47.9 million pounds more in 1979 than it was in 1977. That is to say that the

increase was 105 percent, while consumption increased by 35 percent!! Does this not loudly call for the regulation of medicines!

A sixth insight suggests that millions of pounds worth of medicines are wasted every year. Regulation is therefore necessary to cope with such waste. Chemist Jamal al-Din Ahmad Ghali, chairman of the board of directors of the Medicines Material Company says that the waste in medicines can only be controlled by filling prescriptions by single doses instead of filling them according to the request and desire of the patient. True, this would increase the cost of bottling and packaging and the cost of medicines, but it would save millions of pounds. In France alone, the waste in medicines amounts to 235 million pounds. On the whole, this method is easier to apply in the case of medicines that are in powder, capsule, pill or suppository form. A container is the most effective means of reducing the consumption of medicines.

The seventh insight has to do with the role of the pharmacist, the public, the companies and environment in the chaotic situation in the pharmaceutical sector. With regard to the pharmacists, the dean of pharmacists in Egypt (15,000 strong) says that it is the doctor who diagnoses an illness and prescribes the medicine, while the pharmacist extracts the necessary materials from their sources and makes or prepares the medicine, checks it for quality and dispenses it to the patient. Therefore, the pharmacist's role is a very sensitive one and the pharmacist bears a scientific as well as a moral responsibility in the task of regulating medicine and reducing its prices. The importance of controlling the dispensation of medicines lies in regulating the dispensation of antibiotics, modern drugs for rheumatism, cortisone and drugs used for mental cases, because such drugs are among the foremost causes of the increase in the consumption of medicines.

Dr Nivad Zayn al-Din, an expert on medicines, says that the public should learn the consequences of the misuse of medicines. These consequences, he says, are due to the following reasons:

1) The patient's ignorance of the consequences of the misuse of medicines.

2) The belief of common people that asking advice from an experienced layman is better than seeking a doctor's advice.

3) The growing costs of medical checkups, diagnosis and treatment.

4) The world empire of medicines and the lure of its publicity has made people believe that the medicines it produces are the elixir of life.

5) The ease with which pharmacies dispense medicines.

Accordingly, the public should know the following:

1) Medicine is a poison that cures or treats disease.

2) It is a crime to prescribe medicine without a doctor's approval.

3) The public should be protected from publicity and its lure.

4) The dispensation of medicines by pharmacies should be regulated.

Dr Mu'tazz Billah Mubarak, undersecretary of the ministry of health, had some comments on the effect of the misuse of medicines on the environment and conversely the effect of the environment on the increase or decrease in the use of medicines. It is known that consumption of medicines is associated with several health factors, such as the nature of diseases and services. Certain diseases create a demand for certain medicines.

The study discusses easy access to medicines, misguided views among the people, the tendency to store medicines, the method of storing and keeping medicines and the need to spread correct information about medicines and their use. All these are considered to be environmental factors which affect the consumption of medicines. Another factor which the study believes to be instrumental in the growth of consumption is the size of containers and packages in which medicines are packaged.

This then is the gist of research conducted by Egypt's scientists and presented at the symposium about regulating the use of medicines. It was the tenth symposium of its kind. Each symposium results in recommendations which are either reaffirmed, or discredited or ignored or scheduled for implementation. Meanwhile, the consumption of medicines is climbing at an annual rate of 20 percent. The state pays 26 million pounds a year to support the prices of milk for children, insulin for diabetics and certain antibiotics.

Perhaps the growing consumption of medicines will prompt officials to agree to establishing joint medicine factories and a private sector, since the costs of raw materials are high and price-supported medicines are being smuggled to some Arab countries.

Any call for the encouragement of a private sector should not be described as a call for the elimination of the public sector. Not at all. The figures say that the public sector used to account for 87 percent of the production of medicines but dropped to 81 percent in the past two years. Meanwhile, employment and wages are up and shipment costs and the costs of raw materials have been increasing. Then we turn to the public sector and refuse to allow it to increase its prices. Does that make sense? By so doing, we are forcing the public sector to sell the shirt off its back. We place it in a difficult situation in which it cannot renew its machinery or seek the help of advanced technology. Because of this, the private sector should enter the market so that it may relieve the burden of the public sector, provided that it does not increase the prices of medicines. How can this be done?

The private sector can do so by several means. They include limited employment and successful management which can stay clear of the Egyptian management laws and their ability to restrict every step and move. This would alleviate the burden of the public sector. The private sector would also absorb some of the surplus in employees. Ultimately, medicines will be available in the markets,

because we know the dimensions of the problem caused by the disappearance of medicines.

At this point, medical school professors and officials sum up the problem as follows:

1) The absense of monetary liquidity.

2) The public sector companies produce no less than 300 or 400 medical preparations, which places a very heavy burden on it. International companies produce no more than 50 preparations.

3) The lack of coordination among the seven companies which produce [pharmaceuticals].

4) Neglecting to renew machinery and the absense of technology.

5) The public sector companies incur huge losses in some products which have an indigenous nature, such as the drugs used to treat bilharzia.

6) State support for the prices of milk and sugar products ends up to the benefit of confectionary shops.

7) The consumption of medicines should be regulated.

This latest item is the most important one. All symposiums have made it their main topic, since the state has managed to largely fulfill the first 6 items. But the state and all the symposiums have been unsuccessful in any attempt to regulate the use of medicines, because an Egyptian has an average of 4 diseases and because he believes in the maxim, "Better to ask an experienced person than a doctor."

9234
CSO: 4802

BRIEFS

EMERGENCY FUND CANCELLATION LAW--The Ministry of Finance has prepared a bill to cancel the emergency fund, with its resources to go back into the general national budget. The bill is being submitted to the People's Assembly at its current session. According to the provisions of the bill the minister of finance will determine to which agencies these resources--revenues of the administrative apparatus will devolve: to the state, the local government or the general organizations. Emergency requirements will be met through funds allocated in the general national budget just like all other funding. The government has issued a decree canceling the emergency fund, which was established in accordance with law 42 of 1968 which set up an emergency fund in the Ministry of Finance to gather financial contributions and donations. The decree also cancels the money contributions and donations. The decree also cancels the money allocated to the fund by the state, with the provision that the fund's assets are to be used to meet emergency needs. [Text] [Cairo AL-AHRAM AL-IQTISADI in Arabic 24 Nov 80 p 11] 9123

CSO: 4802

TUDEH ORGAN DEFENDS PARTY AGAINST 'ACCUSATIONS'

Tehran MARDOM in Persian 14 Jan 81 p 2

[Text] An individual named "Hojjatoleslam Mohammad Abutorabi" made a speech in Qazvin on 28 Safar [28 Dec 80], which was reported in the 21 Dey 59 [11 Jan 81] issue of the newspaper MIZAN with much pomp and circumstance.

He had first said:

"If a person in clerical garb does not possess Islamic knowledge and morality, that person is a disgrace to the clergy."

He had further added that:

"If Tudeh Party members and Tudeh guerrillas had enjoyed any bases here in Qazvin, blood would have been running in this assembly."

The statement by this individual, who wears clerical garb and claims to possess "Islamic knowledge and morality," is very meaningful under the present circumstances. These words are being uttered at a time when expanded plots by American imperialism and their paid local agents are at their peak, and in circumstances where Tudeh members everywhere are doing everything in their power to neutralize these dangerous plots, and are supporting the revolution, the Islamic Republic of Iran and the revolutionary Moslem followers of the Imam. In spite of these efforts by certain elements to divide the people, Tudeh members call for unity and solidarity among people and revolutionary forces in the struggle against American imperialism and its local supporters. These events reflect efforts by certain forces and circles who are doing their best to lessen the awareness of the people of anti-revolutionary plots and prevent revolutionary forces from uniting.

The spreading of the tale of "communist threat" and "the Tudeh Party members threat" by the agents of imperialism, and the ignorant elements who have fallen into this trap is nothing new. The same story about the "threat of communism" and of the "Tudeh members" were being played up before the coup d'etat of 28 Mordad [19 Aug 1953], which toppled the legal national government of Dr Mossadeq, by the CIA agents and in such newspapers as SHAHED, ATESH, TEHRAN-E MOSSAVAR and KHANDANIHA. These were aimed at diverting public attention from the imminent danger that was being prepared by the same agents, and point to the Tudeh members, who had continuously supported the national government of Dr Mossadeq and had helped bare the plots by agents of imperialism and the royal court.

At the very moment that SHAHED, the publication belonging to Dr Mozaffar Baqa'i-e Kermani, a top agent of the coup d'etat of 28 Mordad [19 Aug 1953], unwillingly confessed that:

"The Tudeh-oil coalition" is supporting and defending the Mossadeq government in an unprecedented and even surprising manner.... Can anyone remember any political party ever to have supported any government the way this treasonable party has done ever since it began its political activities? Or to have been so devoted to circle around the government of Dr Mossadeq like a moth circling around a burning candle, trying to burn itself for the sake of this former leader?" (SHAHED, 7 Tir 32 [28 Jun 1953]).

At the time of the above writing, those pretending to be clergy, for whom the weakening of the position of the imperialists and the court was considered to be the worst disaster, were sitting in their castles and warning others against the "threat of Communism" and of "the Tudeh members," while they were throwing dirt into the eyes of genuine religious leaders and the people.

About this type of "clergy," Ayatollah Taleqani relates the following:

"At the house of Ayatollah Behbehani, who was among the clergy attached to the court, there were writers known as "secretaries." Others were also present. It was before 28 Mordad [19 Aug 1953]. The writers were busy writing letters, in red ink, in the name of the Tudeh Party, addressed to religious leaders throughout the country. The letters said: we will soon hang you all by your turbans on the light poles. Signed: Tudeh Party."

"They were writing these letters from Behbehani's residence"

(Quoted from the book "Taleqani and History" by Taher Ahmadzadeh section one, chapter 3).

One of the writers who knew Taleqani had told him:

"We sat down and wrote so many letters that for a long time after 28 Mordad [19 Aug 53] our fingers still hurt." (The same book)

We are not bothering with those who act consciously, trying to divert public attention from the threat of American imperialism, and are talking about the threat of Tudeh. But a person who is dressed as a clergy and claims to possess "Islamic morality and knowledge" should first ask himself: why is he talking the language of the American imperialism and that of its anti-revolutionary agents? He should ask himself: a man dressed as a clergy, who falsely accuses a party, which for 40 years has struggled for the independence and progress of Iran, whose sons are now fighting at the fronts, giving their lives to defend the Islamic Republic of Iran, has "Islamic knowledge and morality" or not?

But these accusations, wittingly or not, will not be able to turn people against the Tudeh Party members whose sincerity and loyalty to the people and their ideals have been proven by blood. No one should have the slightest doubt.

9561
CSO: 4906

RECENT ECONOMIC DEVELOPMENTS NOTED

Plans for Next Year's Budget

Tehran KEYHAN in Persian 23 Dec 80 p 2

/Text/ Preliminary measures have been taken to organize the 1981-82 budget in the light of the economic boycott and the war imposed on Iran by the Ba'thists of Iraq. In the 1981-82 budget, the income derived from productive units has been used in place of hard currency sources derived from oil sales. The basic policy of the government with respect to the provision of the country's hard currency requirements in the coming year will essentially be to reduce hard currency expenditure requirements through the elimination of unnecessary imports.

These matters were stated by Musa Kheyr, minister of state and chairman of the Plan and Budget Organization, in an exclusive conversation with the economic correspondent of KEYHAN newspaper.

Musa Kheyr, minister of state and chairman of the Plan and Budget Organization, stated, with respect to the reason for the delay in approval of the compulsory budget as well as government policy in drawing up next year's budget and financial and hard currency sources for provision of it:

"The accumulation of government structure activities and officials care in executing the compulsory budget law on the one hand and investigating the provision of financial sources in a manner by which it will be possible to avoid the issuance of loan paper as much as possible are among the basic reasons for the delay in ratification of the compulsory budget." He added, "Preliminary measures of ratifying the budget for the coming year have been started such as formation of joint planning commissions with the executive agencies with attention to the changed condition arising from the economic boycott and the imposed war. Regarding the major decisions related to the 1981-82 budget, one can mention the substitution of the income derived from productive units for sources of hard currency derived from oil. In addition, the effort is being made to make use of idle resources in terms of manpower and agricultural units, in order to change them to the traditional system and arrive at means of economization."

With respect to the 1981-82 budget programs to cope with the effects arising from the war, such as the destruction and the problem of the war refugees, Musa Kheyr

said "In the 1981-82 budget, decisions have been taken with respect to the war refugees, including special attention to aid staffs to form housing and work camps and the formation of work groups and worksites to rebuild the war areas.

"Regarding the destruction arising from the war, the effort has been made for us by reviewing development plans, to carry out some of the rebuilding of the destruction wrought by the war, so that they can result in the creation of productive units to raise the employment level."

In conclusion, with regard to sources for providing the hard currency needed by the country in the coming year in light of the decline in oil revenues, he stated, "Basic government policy in this field will essentially be to reduce foreign currency expenditure requirements by eliminating unnecessary imports."

Increases in Power Network

Tehran KEYHAN in Persian 7 Jan 81 p 11

/Text/ Dr Abbaspur, minister of energy went to Esfahan in the company of a committee of experts from this ministry to visit and accelerate the implementation of Ministry of Power development plans and projects in that province.

After entering Esfahan, the minister of power held a meeting and conversation with Ayatollah Taheri, the Friday eman and governor-general of Esfahan.

Dr. Abbaspur then made a visit to Esfahan Nuclear Technology Center installations, the 320-megawatt power plant which is going through its final completion stages, the water transport tunnel project, the agricultural aqueduct system, the Nekuabad Dam, the nuclear power center and other projects of the center to expand Esfahan's generating services.

The minister of energy also took part in a conversation with the PARS NEWS AGENCY.

Regarding the problems of projects under construction, he said:

"The problems, especially the imposed war, have not had any effect in slowing down the development activities." On the subject of comparison between the volume of electricity generated at the present time and before the revolution, the minister of power stated, "We are rapidly expanding the sources of electric generation. For example, electricity generation will increase in Esfahan with the construction of a 320-megawatt power plant, which will reach the operating stage by the end of winter, as well as a large 800-megawatt power plant and other different plants which are under construction. In another area, activities of transmitting electricity throughout the country are continuing rapidly. For example, more than 200 villages in Esfahan Province were electrified this year, whereas an average of 35 to 40 villages were electrified a year in the years from 1974 to the triumph of the revolution. In spite of this, we see that our activities have increased about five times notwithstanding all the existing problems. On the subject of the effects of the economic boycott and the problems arising from that, the minister of power said "It is natural that problems should have been created, but first of all one must note that these problems

are not a cause for anxiety and secondly this boycott has produced an acceleration in our planning. In addition, the innovations and inventions of our specialist brothers, through their creativity, have solved many of our problems and some of the spare parts these brothers have provided have even been able to last and work twice as long as their foreign equivalents. As a result, thanks be to God, solutions have been made to all our problems." Referring to the 320- and 800-megawatt power plans in Esfahan, the minister of energy said "These two projects are an indication of our victory over the economic boycott of Iran." With respect to the Ministry of Energy's future programs, Dr Abbaspur stated, "Our most important duty is to move toward self-sufficiency, especially in the industry of electricity and water transmission; our basic goal is to construct factories which will manufacture the equipment required by these industries inside the country. For example, a plant to manufacture electric insulators is to be built in Esfahan."

More Roads in Kerman, West Azarbayjan

Tehran KEYHAN in Persian 11 Jan 81 p 4

In a conversation Eng Esna-Asheri, director general of roads and transport for West Azarbayjan, declared "This year from the account of 590 million rials in credits for branch roads in the province, 207 kilometers of branch and main roads have been built with expenditures of 370 million rials. Some roads are also in the process of being built with the remaining credits. Meanwhile, 403 million rials in credits have been placed at the disposal of the General Department of Roads and Transport to construct rural roads and out of these credits 310 kilometers of roads have so far been completed and are being used, 160 kilometers of roads are being constructed, and 163 kilometers have been suspended because of the special situation in the province." He added, "These measures in all include 93 separate roads 632 kilometers long and 310 million rials in credits have been disbursed for their construction so far and the construction of roads has taken place through direct government supervision." The director general of roads and transport in West Azarbayjan also said "To carry out the compulsory plans, 200 million rials have been allocated and nine road construction and road maintenance machines have so far been purchased to construct and maintain the roads from this account. Some roads are also in the course of being built through this account." He added, "In addition to these credits, 69 million rials have also been set aside for the maintenance of roads in the province and out of these credits 20 million rials have so far been disbursed. Among the projects under construction in West Azarbayjan is the great project for a road to Lake Orumieh which has so far progressed 4,370 meters from the District of Orumieh with the expenditure of 80 million rials in credits. Meanwhile, the surface paving of about 40 kilometers of roads in the various areas of the province, the graveling of 41 kilometers of roads in Band, Bazhan, and Mavana in the Kurdish areas, 60 kilometers of road between Salmas and Yasuj, the completion and occupation of 13 organization homes in the District of Orumieh, eight organization homes in the District of Salmas, and a residential home and structure for the police weighing machine on the Maku road are among the other activities of the General Department of Roads and Transportation in West Azarbayjan."

In a conversation with the correspondent of PARS NEWS AGENCY, the director general of roads and transportation of the Province of Kerman described the road construction activities in the province and said "This year construction work has been completed on

the 35-kilometer road from Chatarud to Zangiabad, the 8-kilometer road from the town of Babak to Estabraq, the 15-kilometer Kerman-Zangiabad road and the 4-kilometer road from Baghin to Sa'di with credits of 106.49 million rials." He added, "In the Bam area, the construction of the 35-kilometer road from Aliabad to Chahedegan, the 8-kilometer road from Vakilabad to Qal'e'ye Khan, the 17-kilometer road from Nezamabad to the main road in Iranshahr, the 12-kilometer road from Fahraj to the Iranshahr main road, and the 2-kilometer road in the Rafsenjan area from Kashku-ieh to Shahinabad are in the process of being built with 69 million rials in credits."

In this conversation, the director general of roads and transportation in the Province of Kerman declared, "In the Zarand area, work has started on construction of three roads totalling 27 kilometers in length with credits of 104 million rials as well as four roads 101 kilometers long in the Baft area and the 11-kilometer road from Sarasiab to Dehbala in the Kerman area, a 42-kilometer road in the Sirjan area, and three axes 5 kilometers long."

He added, "The Kerman-Ruhpayeh road, 35 kilometers long, the 26-kilometer Kerman-Chapur Road, the 26-kilometer Kerman-Baghin road, the 1230-kilometer Sirjan-Baft road and the 8-kilometer Darzin-Dowrahi road are under construction under government supervision and 59 million rials have been allocated for completion of these projects." He also referred to the project of a large bridge on the Rabar river in the Baft area and the Dehbakri bridge in the Kiroft area; construction on the Rabar bridge has now started.

The director general of roads and transportation of the province also said, "In the Baft area, the operations of the construction of a 40-kilometer road and three roads in Jiroft whose lengths total 132 kilometers have been started."

Bus Drivers' Strike in Tehran

Tehran KEYHAN in Persian 24 Dec 80 p 3

/Text/ This morning the drivers of buses in District Four of West Tehran went on a protest strike and hundreds of thousands of people in West Tehran area faced difficulties in getting to schools and their jobsites as a consequence.

In the course of this strike, which resulted in confusion and protests among the people, KEYHAN's correspondent got in touch with the managing director of the United Company, Eng Hendizadeh, this morning, and sought the basic reason for this strike.

In this regard, Eng Hendizadeh said "A short time ago a number of troublemakers sought to get all the United Company drivers in Tehran to go on strike by provoking the drivers and other employees of United and this was to have taken place on 23 September. On being informed of this development, we immediately engaged in an investigation and removed six of the main agents. Apparently the event was resolved until a short time ago when the municipality purge committee purged one of the workers' representatives, Ali Razani by name, after which a number of troublemakers started making disturbances among the drivers in order to get them to strike on the pretext of getting Ali Razani and the other purged persons back. However, they were not successful in this and only got the drivers in Section Four, West Tehran, ready to strike.

Immediately on being informed of this occurrence, we sent some officials to the area in order to learn about their requests but the strikers were not prepared to say a word and they sat down in their buses." Eng Hendizadeh added, "The other laborers' representatives expelled Ali Razani and were in agreement with his purge." He then described the manner of the strike as follows, stating "A large number of workers and drivers had been in the Vahed Company from before and after the revolution about 2,000 people were hired by the United Company as well; they are probably of every stripe and it is they who started this sort of disturbance and produced the discontent."

On their conditions for starting work, Eng Hendizadeh stated, "They have not said anything yet but we are determined not to submit to force; however, if they have reasonable requests we will accept them, whereas if we accept their unreasonable requests we will accept them, whereas if we accept their unreasonable requests we will have bigger problems in the future."

In this conversation, the managing director of the Vahed Company told KEYHAN's correspondent that three other districts, started working in the early morning hours as they did every day and just the drivers refrained from working just in the West Tehran area.

Regarding the cause of this matter, he pointed out that one of the purge committees expelled one of the drivers for a reasonable cause and put him at the disposal of the Municipality of Tehran. For this reason the driver who had been expelled proceeded to strike along with a number of his accomplices and as a result they caused a disruption in the people's movements.

The managing director of the Vahed Company, during this communication mentioned "Our employers are the people and the city society and in situations of this sort the people must decide."

The managing director of the Vahed Company, expressing appreciation for the people, said "Today many of the citizens of Tehran declared that they would volunteer to help the United Company."

The managing director of the Vahed Company, in concluding, stressed that the description of the event would be conveyed to fellow citizens in the course of a communique.

11887
CSO: 4906

PEASANT EXPLOITATION, LAND REFORM EXAMINED

Tehran MARDOM in Azeri 14 Dec 79 p 3

[Unattributed editorial]

[Text] During the loathed regime of the past, the villages of western Azerbayjan--like other Iranian villages--were deliberately retarded in the areas of farming, horticulture and husbandry. Because the villagers themselves lacked the fiscal resources, new and modern farming machine equipment was not brought to bear on village fields. Land was also scarce. There were no serious and basic measures whatsoever for the development of husbandry and horticulture. As a result productivity dropped. No one farmed. Villagers were forced to abandon their villages. The fundamental reason for this state of affairs in the village clearly stemmed from the type of land ownership.

In the western areas of Azerbayjan, even long after the "land reform," a handful of blood-sucking notables, khans and large landlowners held major parcels of land in the villages. They doled these out to the peasants under onerous conditions. The notables, khans and large landowners--who lived like parasites--built palaces and magnificent villas in the cities at the price of squeezing every drop of blood from peasant toilers. Although they occupied themselves in this country and in foreign capitalist countries with every form of luxury and extravagence, they denied the peasant toilers--whose calloused hands filled their plates--the common livelihood deserved by all men.

The government, which first of all defended the uncaring notables and landlords, never gave a thought to the farmers' hunger and nakedness. Of course, after the victory of our great anti-imperialist and anti-despotic revolution for the hygienic, cultural, social and legal rights of the peasants, the zealous peasant toilers of Azumi--as in all the nation's villages--justly demanded the abolition of this cruelty and tyranny. They regarded as a major and fundamental condition for attaining their goal the elimination of large land ownership. A seven-member regional committee was appointed for the purpose of ensuring the villagers' just demands. This committee has now completed the first stage of its work in many villages. For example, 80 families live in the village of Kulak (Kulah) in the environs of Orumiyeh. There are 20 villagers here that are landless and several with small holdings. A major portion of the village's land was owned by an individual named Sediqeh Ashkhasi (who never even lived in the village). Of course, after the revolution the people of the village sowed and harvested those fields.

Seyf-'Ali, whom the villagers chose as their representative to facilitate the land reform process, said in this regard, "Land in this village is divided into approximately 110 tanab (1 tanab equals 4,100 square meters). We decided through the 7-member committee that we would give 5 tanab to landless peasants and 2 to 4 tanab to those with small holdings. Even if landless peasants who went to the city after being forced to leave our village return, we will give them land." I asked his opinion of the war that the mercenary of American imperialism, Saddam, started. Seyf-'Ali said, "We as villagers must bring forth the most produce we can so that we can ensure our country's needs, and we are prepared to go to the front when required."

As everywhere, these villagers are defending our revolution. They speak very positively about the revolution. To assuage in due time the villagers' pain means eliminating forever the aspirations of counterrevolution. One must remember that in this village there are no bath, clinic, cooperative, or other social services. The village school is in ruins. The people of the village say that "were the government to give us the materials, we would ourselves build a school and other needed structures." The intentions of these toiling villagers are practicable. If the responsible officials would think seriously about this, many of the present difficulties in the villages could be removed by the villagers' own ability and initiative.

CSO: 4901

PLO SEEN CONTROLLING ATTITUDE OF WEST BANK ARABS TOWARD CAMP DAVID

Tel Aviv MA'ARIV in Hebrew 5 Dec 80 p 22

[Article by Menahem Milson: "The 'Pincers' of Terror and Money Against the Residents of the Territories"]

[Text] Prof Menahem Milson is the head of the Institute for Asian and African Studies of the Hebrew University in Jerusalem. Professor (Colonel, Reserves) Milson formerly served as advisor on Arab affairs in the Judea-Samaria region and on the General Staff. During al-Sadat's visit to Jerusalem, he was his Israeli military aide. This article was written subsequent to the author's address at the opening of the Yigal Allon Labor Academy.

Al-Sadat's visit to Jerusalem 3 years ago was a turning point in the history of the relations between the State of Israel and the Arabs. That ceremonious event which took place before the eyes of hundreds of millions of television viewers toppled at one time a system of concepts and understandings.

During the past 30 years since the establishment of the State, the concept has gradually been accepted that the Arab countries do not make peace with Israel and are even unable to conduct direct negotiations with Israel because of factors which are beyond political considerations and which are rooted in the heritage of Islam and the Arab culture and "mentality" as if it were a kind of natural law or an immutable geographic statistic. This concept gradually began to serve as a justification for the Arab countries which do not make peace with Israel in that they are unable to make peace. Direct negotiations and a peace treaty between the Arabs and Israel are unrealistic, so it was claimed. Since the international community and professors of international relations and Oriental studies do not agree that any country will present "unrealistic" demands, then Israel must not demand direct negotiations and a contractual peace, and such a demand, when presented by Israel, is evidence and proof of Israel's extremism. More than a few experts have recommended to Israel that she be satisfied with negotiations which are not necessarily direct and any settlement, not necessarily peace.

Al-Sadat came and instantly refuted that "conception." It was proven that an Arab leader can recognize Israel and not be rejected within 24 hours. He can enter into direct negotiations with Israel and receive the plaudits of millions of his people, and he can sign a peace treaty with Israel.

Al-Sadat Disappointed the Experts

It is true that the recognition of Israel, the conduct of direct negotiations with Israel and the signing of a peace treaty with it are unquestionably very difficult things from the Arab point of view. It is a high price which an Arab country is asked to pay in order to attain the political gains and objectives which it is seeking. It is not an easy political decision for an Arab leader. On the contrary, it is a difficult decision but not an impossible one.

Al-Sadat, who displays adherence to his objectives, is also creating the political structures which will function in accordance with the new political concepts. As such, he is arranging elections for the Egyptian People's Council and is reorganizing party life in Egypt on the basis of the acceptance of the peace policy.

The same applies to the inter-Arab level. When it became clear to al-Sadat that the Arab League was serving as an instrument of incitement against his policy, he established the League of Islamic Peoples with the explicit objective that this league would replace the Arab League. Will he succeed? I will not predict, however it is enlightening to observe his method: the building of instruments and structures for the purpose of implementing his objectives and policy. With this background we can understand Mustafa Khalil's advice to a Labor Party delegation in Egypt on the subject of advancing the negotiations with the Palestinians. He said: Permit the residents of the territories to organize themselves in parties which will be established on the basis of the recognition of Israel, the negation of terror, and the identification with the peace process. This approach reminds one of al-Sadat's concepts regarding the renewal of political life in Egypt: Political life--yes, opposition--yes, freedom of the press--yes, however all of these within clear limits so that they will not progress to incitement against the very existence of the regime and not operate subversively.

After the Camp David Agreements (and actually even before their signing) the partners to the agreement, Israel, Egypt and the United States, expected that Palestinians from the territories would also join the negotiating circle. These expectations were focused on the pro-PLO mayors of the West Bank and the major of Gaza, Rashad al-Shawa. These expectations were not fulfilled, and it is worthwhile to examine the estimate of the political situation on which these expectations were based. (For the sake of accuracy and fairness, it must be noted that in everything related to the West Bank, the Egyptians drew their estimates and statistics from the other two partners, the American and the Israelis).

The estimate was that the PLO would give its supporters in the territories, that is to say, the mayors, a "green light" to participate in the negotiations. Those who thought htis believed that the mayors would put pressure on the PLO leadership in Beirut to permit them to participate in the negotiations in order to bring the Israeli military government to an end and to advance the prospect of the establishment of a Palestinian state. According to this estimate or scenario, the PLO on its part was supposed to have permitted them to participate in the negotiations (and perhaps would even encourage them to do so) because its significance would be a political achievement for the Palestinians, self-government as a stage toward the establishment of an independent state in a part of Palestine without the organization itself entering into direct negotiations with Israel, that is to say achieving a gain without having to pay a price for it.

Those who expected the materialization of this scenario believed that in this way the negotiations with the Palestinians would progress while circumventing both the sandbank of Israeli coercion and that of PLO coercion. What were the coercions? Israel is not ready to conduct negotiations with the PLO, however it is prepared to conduct negotiations with the pro PLO mayors "provided they do not wear a PLO label on their lapels." The PLO coercion is that it is not ready to recognize Israel and conduct negotiations with her. So, those who projected this scenario believed that the PLO would also emerge a gainer from this situation in that the foundation for the Palestinian state would be laid without the organization "dirtying" itself with negotiations, even though it would be able to direct them from behind the scenes.

This expectation did not materialize. The Israelis and Americans who projected the scenario knew the Israeli side. They knew that Israel was indeed prepared to act in accordance with the scenario, however they did not properly understand the PLO and the system of contacts between the PLO and its supporters. The pro-PLO mayors in Judea and Samaria firmly refused to join the talks, and not only did the PLO not signal them to enter the negotiating circle but even forbid them to do so. It seems therefore that the situation estimates of those who had these expectations were erroneous.

There were many attempts to influence the pro-PLO personalities to join the talks. Among others, one remembers the open letter from an "Israeli friend" published in DAVAR and in the PLO newspaper AL-FAJR which contained an appeal to the mayors to join the autonomy negotiations which would necessarily lead, so wrote that "friend" to his friends in the territories, to the realization of their hope, that is a Palestinian state.

Why Is the PLO Opposed to Negotiations?

What is the explanation for the Plaestinian refusal to join the talks? The explanation being offered in the Western press and also among certain circles in Israel is that the refusal of the mayors to join the talks stems from the fact that the autonomy plan presented by Israel is unacceptable to the Palestinians or that the refusal is a reaction to the settlement policy. This explanation, however, is tenuous and simplistic. On no occasion, public or private, did the mayors say to Israeli representatives or foreign diplomats that if Israel would stop the settlements, they would join the negotiations. Moreover, as is known, Egypt publicized its own autonomy plan, and the Egyptian version of the autonomy is extremely far-reaching. Virtually the only difference between it and full political independence is the name alone. However, even on the basis of the Egyptian plan, the PLO supporters in the territories are not prepared to enter into negotiations. There is no doubt that they would have received a "good press" and political support in Israel and the United States had they said that they were ready to join the talks on the basis of the Egyptian plan. However, they did not say this.

It is evident from this that the refusal in the territories stems from the refusal of the PLO and actually was dictated by it. Al-Sadat's visit to Jerusalem was an absolute contradiction to PLO doctrine, and therefore the PLO acted immediately in the wake of the visit to prevent manifestations of support by the residents of the territories for the peace initiative.

The PLO's hold in the territories is expressed in its control of the social-economic institutions and the communications media of these regions: municipalities, charity organizations, trade unions, and institutions of higher learning. Its methods of control are varied--the PLO is not satisfied with ideological persuasion. The taking and maintenance of control are carried out through a system of integrated and complementary means: monetary grants with the money being given on the condition of public identification with the PLO and obedience to its directives as well as ideological and physical terror. Still remembered are the incidents of murder in the Ram Allah region a few months after al-Sadat's visit. The most conspicuous of these was the murder of the Ram Allah public figure, 'Abd al-Nur Janho, in February 1978 on the day when he declared his readiness to go to Egypt as the head of a delegation which supports the peace initiative. Afterwards, in the wake of the Camp David Agreements, the PLO effort to prevent any deviation was increased. The PLO leadership estimated, and still estimates, that the failure of the Camp David Agreements is primarily dependent upon both Jordan and the residents of the territories taking a position which rejects these agreements. The Baghdad Conference, which was convened after the Camp David Agreements, allocated the financial resources for increasing the control of personalities and institutions in Judea, Samaria, and Gaza.

Murders -- As Means of "Persuasion"

The distinction which some Israelis are trying to make between PLO funds and money from Arab countries is an imaginary and self-deluding one, without any basis in reality. All the funds provided by Arab countries are under the political control of the PLO and are allocated to persons in the territories under the supervision of the PLO in exchange for a political payment to the PLO. It is likely that this imaginary distinction is a reflection if Israeli ideological confusion regarding the challenge posed to us by the PLO funds in the territories. No less divorced from reality is the view which says that the donor of the money is not important provided that it is invested in development, like the frivolous comment: "What difference does it make if they build schools and enterprises with PLO money provided that they are not arms enterprises." This is naivite or irresponsiblity because the money is not given at no cost. It is an instrument for political sabotage. The PLO is using the financial power which the Arab countries have given it in order to undermine the peace agreement.

The other means is terror--ideological and physical terror. The physical terror (reflected in the slashing of tires, the burning of cars, and the breaking of shop windows) gives force to the threats. However, against the recalcitrants who refuse to surrender to fear and continue to express support for the peace initiative, the final method is employed--killing.

Remember the murder of Shaykh Hashem Khawazandar in Gaza in June 1979. It seems that this murder did not completely silence the support for the peace initiative. A few months ago, Abu Mazan, that is Mahmud Rida 'Abbas, one of the members of the PLO Executive Committee and one of the key people in the organization, said that "The PLO must make an all-out effort to prevent voices being raised among the residents of the Strip in support of autonomy." As for the meaning of the PLO's "all-out" effort, we received a reminder several days ago when the deputy chief of the Jabalyah Council, Abu Wardah, was murdered. Before him there were five others (whose murders were for some reason not even reported in the communications media).

This is how the PLO achieves what the press calls--the population identification with the PLO. Just as the PLO estimates, and in my opinion justifiably so, that for the purpose of frustrating the Camp David Agreements, it must prevent every deviation from the rejectionist line by the residents of the territories, so do we have no alternative but to estimate that the prospects that public support for the Camp David Agreements will be crystallized in the territories are slim as long as the bribery and intimidation actions of the PLO continue. Indeed, the obedience to the PLO by persons in the territories reflects a different combination of motives in every case because people are different. There are those who have a basic ideological commitment to the PLO positions in all their variations, the 'Arafat line, the Habash line, and so forth. In such cases, the financial means which the PLO places at their disposal is an instrument for reinforcement of their status. There are those who have a pragmatic-opportunistic tendency where the combination of bribery and intimidation bring them to adopt the PLO line. The PLO's great success is that the political public in the territories has learned that it is dangerous not to obey the PLO, and on the contrary, it pays, with a double meaning intended, to obey.

What is the explanation for the PLO's total rejection of Camp David?

Explanation of the PLO Rejection

This question is significant since for several years now it has been contended in various Western circles, including elements in the Socialist International and even in Israel, that the Fatah leadership is ready to accept the idea of a Palestinian State alongside the State of Israel even though it has not explicitly stated this agreement. Moreover, Egypt's position, which includes a demand for Israel's withdrawal to the 1967 borders and the right of self-determination for the Palestinians, apparently coincides with the position which those elements attribute to 'Arafat and the key people in the PLO. If this is so, what is the explanation for the PLO's absolute rejection of any participation in the autonomy talks, and even indirectly by its supporters in the territories?

The first and most important reason for their rejection of Camp Daivd is that these agreements are based on a recognition of Israel, something which the PLO is not prepared to agree to. Faruq Kadumi, the chief of the Political Branch of the PLO, said in Basel at the Solidarity Conference with the Palestinian People (4 May 1979): "Al-Sadat's visit destroyed the peace efforts since its significance was the recognition of Israel," that is to say the recognition of Israel which was expressed in al-Sadat's visit to Jerusalem as an opening toward Camp

David and, of course, the agreements themselves are the root of the sin in the eyes of the PLO. 'Arafat said (in an interview in the PLO newspaper FALASTIN AL-THAWRAH, 4 November 1980): "The day I was al-Sadat land at Lod Airport in order to give the enemy what no Zionist dreamed of was the worst day in my life." The mayor of Ram Allah, Karim Khalaf, at a conference in Shekhem said: "Al-Sadat is the second Balfour," that is to say, the man who gave international recognition to the legitimate status of Israel. The refusal to recognize Israel or to express a readiness to recognize Israel is characteristic of the PLO position, including the key group, called moderate.

Khalid al-Hasan who went to Europe a few months ago in order to open a dialogue between the PLO and the countries of Europe while presenting the flexible and "moderate" PLO position clarified the limits of the flexibility and moderation of the PLO: "If the Europeans claim that they are our friends and speak to us about amending the Covenant and recognizing Israel, then there is no difference between them and the Americans..." (We clarified this for them, explains Khalid al-Hasan), "You must help us establish the exclusive Palestinian state, and afterwards will come the unification of Palestine, as we have already explained, since it is our dream and our right to work for its realization." (AL-SAFIR, 20 May 1980).

Khalid al-Hasan adds that he said to the Europeans that if it is their intention to launch an initiative within the Camp David framework, then the PLO requests them not to launch any initiative! The reason is that the PLO wants every initiative to be based on the resolutions which concern the return of all the Palestinians to their homeland and their right to establish an independent state there.

Insistence on the "Right of Return"

Here we come to an additional point which the PLO is not prepared to concede--the right of return. This demand is an absolute one on the part of the PLO, on which no PLO spokesman is prepared to compromise. There are Western commentators who seek to calm Israel by explaining that the key PLO people advocate this principle, but they have no practical intentions. There is doubt, however, if this calming interpretation should be accepted. Abu Mazan said (AL-RA'I, 28 September 1979): "No Palestinian can be found who does not want to return to his homeland, and if the Palestinians were offered the choice of compensation or return, not even one would be found who would agree to accept compensation and concede return" (We can estimate that the PLO would indeed see to it with the methods it uses the not one person would be found who would choose compensation).

Another reason for the PLO rejection of Camp David according to its spokesmen is that these agreements do not mention the unity of the Palestinian people. These agreements ignore the problem of "the Palestinians in the areas of Palestine which were occupied in 1948," that is to say, the Arabs of Israel. "This is one of the main contentions of Fa'iz Sa'ig". The unity of the Palestinian people and the unity of the Palestinian territory are recurring motifs in the statements of the PLO, and with this outlook, it is understandable that they are not prepared to accept Camp David.

From Israel's point of view, it is clear that the PLO position means a striving for the annihilation of Israel.

In the recent Fatah resolutions in June in Damascus, there was no mention, generally speaking, of the destruction of Israel but rather the destruction of the Zionist presence. However, one must not make a mistake about the intention of their statements. In an interview which Abu 'Iyad recently gave to a leftist American reporter, he said: Even after we establish a state in a part of Palestine, we will continue to struggle for the unification of all of Palestine in a democratic secular state, and the struggle will be not only by political means. The president of the women's organization of Fatah said to him simply and in fluent English, the objective is the destruction of Israel, and any Palestinian who does not adhere to this objective is a traitor.

There is a severe dispute among the factions in the PLO. In spite of the severe dispute and the criticism of Fatah by the rejectionist organizations, in all of this controversy there has been no charge made by the rejectionist elements that the Fatah leadership and 'Arafat have betrayed the objective, the destruction of Israel. This does not mean that they will not use political methods in addition to a continuation of the terror, and so says Mahmud Labadi: "We must not forget that every political gain opens new channels for the military option" (AL-JUMHUR, Lebanon, 3 October 1980). In other words, the establishment of a Palestinian state is not the end of the road, not in terms of the political aspirations and not in terms of the continuation of the armed struggle.!

Khalil's Advice

I estimate that as longas the PLO continues to use bribery and intimidation in the territories, the use of pincers, in which one of its arms is money and the second is terror against Arab persons, Israel will be unable to open a political dialogue in the territories. This is an estimate of the situation. And what is the projection? Here we can only ask: Will Israel be intelligent enough to break the PLO pincers of terror and money? Will she be intelligent enough to create conditions for political activity in the territories on the basis of a recognition of Israel? And here I return to Mustafa Khalil's advice to Israel: "Permit the establishment of parties in the territories within the framework of the law and on three conditions--that they will recognize the State of Israel, declare their opposition to terror, and support the peace process." I do not know if we can adopt this advice, however we can learn something from it about the thinking of the Egyptian hierarchy--adherence to the peace process and regarding it as agreed upon, which is a condition for party activity, and an understanding of the importance of giving clear and open expression to the basic positions of the recognition of Israel and opposition to terror.

Also in Israel, voices are heard from time to time which call for the granting of freedom of political activity in the territories through a pretension of understanding Arab affairs, however the comparison of the proposal as heard from time to time in Israel and the Egyptian proposal is not exactly complimentary to the political understanding of the Israeli proposers. The proposal heard at times in

Israel is: "Let's permit the mayors to engage in political activity (as if they are not active all the time!--M.M.), and if they are caught placing bombs or engaging in subversive organization, we will arrest them," a proposal which is completely naive or a pretension of innocence, and nevertheless, irresponsible. In contrast, the Egyptian proposal, whether we accept it or not, shows vigorous adherence to the peace objective, responsibility, discretion, and a profound understanding o- Arab society.

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CSO: 4805

JEWS SAID LOSING GROUND IN GALILEE POPULATION

Tel Aviv 'AL HAMISHMAR in Hebrew 11 Dec 80 p 5

[Article by Gaby Zohar: "The Demographic Balance in the Galilee is Becoming a Serious Problem"]

[Text] The demographic balance in the northern region of Israel is becoming a serious issue. The Jewish population is falling behind the target set in the profile of 1975 by 60,000 Jews. In another 15 years, the lag will increase to 200,000 people. This is established in a report, "The Galilee--Analysis of the Existing Situation with Major Proposals," put together by Baruch Wenger, head of the local council of Carmiel and former chairman of the Galilee council, Eric Lutan, head of the regional council of Sulam-Tsur, and Shimshon Shehori, secretary of the Galilee council and former mayor of Afula.

Statistical data indicate that the Jews will become a minority among an Arab majority in the Galilee in about 2 years. This will involve serious risks of an economic, social, and security point of view in the short run and will be aggrivated in the long run.

1979 stood as a year of positive immigration balance because of a net increase of 1000 people as compared to the previous year. However, in order to overcome the demographic tendency towards population decline among Jews in the Galilee, 20,000 new Jewish residents are needed, says the report, every year. And for this to happen, 5000 new residence units are needed each year (in addition to public institutions and urban and settlement development needed as a result of this increase).

What do the authors of this report propose? First of all, they recommend special and meaningful incentives for new immigrants and young couples, solutions for members of settlements, an increase in outposts and their transformation to bigger settlements. As far as the limited options for employment, the document recommends that military industries be transferred to the North, that vacation spots for soldiers be established, that geriatric centers be set up and that clever and profitable industries be cultivated. In the area of education, the document proposes the establishment of a central university in the Galilee, the setting up of paramedical schools and the strengthening of university extensions. These are only a few of the proposals in every sector of life in the area raised by the document.

Low Level of Income

In support of their proposals, Wenger, Lutan and Shahori criticize severely the situation in the Galilee. According to them, there is no real regional center in the area. Even Haifa does not serve this function. The income level is much lower than that in the central area, the cultural background is much lower than in central Israel, there is a lack of range of institutions of health, education and culture, and a limited supply of residences, a poor road system and a human substrate at a low level. There is little fit between public institutions and government offices. There is a fragmentation of sources for attracting Jewish population and a lack of fit in the setting of policy among the various public governmental bodies.

We are forced to agree that the Galilee today stands at a true crossroads, and that the outposts are one of the big question marks at this time. A symposium organized by the Union for the Development of the Western Galilee was devoted to this subject.

The Program for the Construction of the Outposts Has Been Completed

Shimon Ravid, Director-General of the Department of Settlements for the Jewish Agency, announced that the construction of 28 outposts in the Galilee, at a cost of 25 million dollars, has been completed. According to him, the potential manpower is available in Israel to bring about a program of village settlements throughout the Galilee. The ratio of those planning to settle in the outposts is five to one as compared to what the Jewish Agency can offer. In order to prevent defections or the disentegration of any of the settlements, the time of population expansion must be shortened as much as possible. The expansion we are talking about is about 30 families in an outpost during a year or a year and a half. "We have the budgetary means to build about six outposts each year with the idea of turning them into permanent settlements if we are not forced to provide services not included in our mandate," says Ravid.

The director of the branch for land development of the Jewish National Fund, Meir Shamir, said at the symposium that we need to consolidate the outposts already established and to plan to turn those 20 outposts into permanent settlements. At the same time, we need to strengthen and establish a base in 15 ordinary settlements in the Galilee and to create a base for 750 units of settlers who will represent the basis for the settlement operation in the Galilee. According to him, the establishment of outposts in regions like Mt. Gilon and Mt. Kimon now allows us to set up wide areas in these regions.

We Should Not Lose Sight of Our Goals

David Koran, chairman of the Organization for the Development of the Western Galilee, who opened the discussion, emphasized that by establishing outposts in the Galilee, we have reached the point where, if we do not move quickly forward and continue the progress of this settlement project, all the goals for which we began this work will be lost. The man appointed to oversee the region of northern Israel, Israel Konig, agreed with this opinion and proposed that a joint economic

association be formed for the old settlements, the regional councils and the Jewish Agency to free the department from the responsibility for changing the government services necessary for the new settlements.

In a discussion conducted in the regional council at Ga'aton, in which Ya'acov Friedman and Amos Herpaz from the region of the North and the Galilee, Amos Lutan, coordinator of government activities in the Galilee, heads of regional councils and others took part, it was said further that the planning of the settlements is not complete and that there are places lacking a plan for permanent construction and lacking, also, a conception of the "communal settlement."

9348
CSO: 4805

GAZA CITIZENS TENSE AFTER MURDERS

Tel Aviv DAVAR in Hebrew 23 Dec 80 p 5

[Article by Danny Tsidkoni: "A Dangerous Quiet on the Gaza Strip"]

[Text] All is quiet on the Gaza Strip, although there has been a recent report of murder in the area. As usual, the impression left by those outside its borders is greater than that felt by those within. Life has apparently returned to normal --if a rule of occupation can ever be called normal. A youth from the Strip who spent an extended period of time in an Israeli jail for his involvement with the PLO and who now prefers to be involved with his business and private life, tells me, "You are right, but it is a dangerous quiet."

In Gaza, since the murder of the Imam Hussadar a year and a half ago, there have been several attempts on the lives of people with a political background. Someone speaks of more than 10 people, not all of whose name he remembers, who were killed, according to him, by order of the "organizations."

Someone else mentions only seven people. The government tends to call only the two most famous incidents of the last 2 years "political murders." They include the murder of the Imam Rassem Hussandar and the vice-chairman of the council in J'abaliya, Mohammed Abu Varda, who was murdered about one month ago in the local council building. The others were not outstanding political personages, so that it is difficult to assume that their deaths were politically motivated. As far as is known, they are also not included in the category of informants.

I found support for this assumption among several Gaza Strip residnnts. They argued that several of the people who were killed were connected, without any basis, with the names of the "organizations." According to them, the perpetrators of these deeds and their motives were not at all political. But as long as the murderers are not caught and their identity remains unknown, there is no way of knowing if there is, indeed, an assassination unit working for the "organizations" in operation on the Gaza Strip or whether this is simply a string of criminal acts. According to rumors in Gaza, this unit, if it does exist, has a list of 300 names slated for assassination. According to another version, there are only 20 names.

The group most concerned about the murders are the young people who view all that is happening and who justify all these actions from the perspective of "cleaning

out the ranks." But the older people today see these political murders in a different light than they did before. "We have gained experience and have learned," says M.M. (District Commissioner) who, like many of his age group, engaged in radical activities in the past. "He who lives by the fire shall die by it."

Among those killed and injured in the latest assassination attempts were drug sellers and drug users. One of them was Abdul Wahab al-Misri. It is understandable that they gave a man such as him a death sentence, my local informant on the "organizations" tells me. I express my amazement. "What do they care about drug pushers?" He explains. "The organizations consider anyone who poisons people with drugs or with sex a public enemy. Anyone who sells himself to these is considered to be lost. In order to satisfy his need for women or drugs, he needs lots of money. And there are two ways to get that--either to steal or to inform"

It may be remembered that, on the morning that Abu Varda was killed in J'abaliya, a peddler named al-Bozo was also killed in the refugee camp of Shati on the Gaza coast. The assumption was that his murder was a way of diverting attention from the J'abaliya murder. But it may be that there was no planned connection between them and that the timing was purely coincidental. In Gaza it is widspered that al-Bozo was killed as revenge on the part of a family whose two daughters were killed by security forces 8 years ago because of his informing.

It is told about another murder victim that he met his death against a background of a family feud. Incidentally, contrary to expectations, Abu Varda's murder did not turn G'ebaliya into a blood bath. The local citizens feared a blood feud between his large family and the family of the council chief, Mohammed Saud (he was questioned several times about whether he had a role in the murder, and, so far, the investigators have found no proof of this). But several people have been found who mediated between the two families and who arranged for a "truce." For J'abaliya as well as for the government rule, this was a relief.

Since Gaza is not noted for its wild night life, the effect of the murders on its social life has been negligible. "In any case," one resident tells me, "whoever goes out in the streets after 7 pm is crazy."

A local personage tells me that the more time passes, the more the murders are forgotten, "and if there are no new ones, we will get over it. It is not the worst calamity in the world." I ask him what, then, bothers the residents most these days. He recites a list of problems, mainly connected with Israeli rule, but he also says something about the internal terror which he still remembers from the period of the mandate. A member of the Superior Arab Council in Gaza, Yusuf al' Almi, was killed by the Mufti's followers as a traitor. His error was that he disagreed with them politically. For similar reasons, this man tells me, the Gaza intelligentsia does not like to use terror as a political weapon. In his opinion, it is not just that it does not help the Arab situation but that it actually harms it. The assassination is not always justified from the point of view of patriotism. At times, it is simply a way of settling political accounts. He feels that it is better to warn informants, to isolate them, excommunicate them but not kill them.

It is understood that he is not about to openly express his opinion on the street for fear of being labeled himself a traitor. The man returns to my question. In

his opinion, some of the problems which are most oppressive for Gaza these days include the taxes and the aggression toward the merchants by the customs people which takes the form of confiscating goods from the stores and similar forms of trickery. They don't consider the fact that because of the rise in prices, there is a falling off of business all week, except for the Sabbath, when the Gaza workers who work in Israel and the Israelis coming to Gaza to look for bargains come to buy. The high prices of basic necessities such as flour, sugar, cooking oil, meat and gasoline which they use in quantity, are hard on them. It is upsetting that they do not see the Palestinian light at the end of the tunnel.

They Are Looking for the Killer

The security forces and the police are constantly working on finding the killers. At regional headquarters they know that unsolved murders undermine faith in the government and raise doubts about its effectiveness. It is easy for the command to find ways to protect the Israeli serving in the region as well as Jewish settlements there. If necessary, they can give soldiers, officers and civilian workers on the Strip appropriate instructions for conduct. But it is impossible to set up a military group to guard every local notable who is a target for saboteurs, because the interpretation of such an action would be that man is, indeed, a "collaborator."

Abu Varda who, according to Arabs in Gaza, "tried to leap higher onto Sadat's initiative than he was capable of" and who, according to another interpretation, was entangled in debts (this did not come out till after his death), was called on by Israeli forces 3 days before his death. They warned him to protect himself with the help of his armed sons. He said that his sons stood at his side and that he had nothing to fear. But on the day of his murder, he sent one son to sell a car in Gaza and the second went on vacation. Whoever ambushed him was waiting for such an opportunity and took advantage of it.

Catching a murderer in Gaza is a difficult job, almost as tough as finding a needle in a haystack. Clearly, the shifts of soldiers who go around in the cities and villages are not able to prevent a planned murder or to catch a murderer after he has committed the crime, when it is a "professional" at work. Soldiers generally stop those without identification cards. One can assume that the murderer is well equipped with documents. It should be remembered that the military rule and the substantial military presence that existed in Gaza during its famous period of terror could not prevent political murders then either. And their rate was shocking.

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CSO: 4805

MOST JEWS VIEW ARABS IN LIBERAL LIGHT

Tel Aviv DAVAR in Hebrew 24 Dec 80 p 4

[Article: "70 Percent of the Jews Relate to the Arabs with Rationalism"]

[Text] Seventy percent of the Jewish population in Israel relate in a rational and liberal manner to the Arab minority. This was revealed in a survey conducted by Dr Mina Tsemah details of which were given over yesterday to the Committee of Education and Culture in the Knesset.

Dr Tsemah told members of the committee that one of the findings of the survey was that there is a high degree of readiness for personal contact with Arabs in contrast to some general negative positions which stem from security concerns with regard to giving Arabs certain rights.

"People are afraid to give the Arabs rights because of the issue of security, but they are not afraid to develop personal contact with them, which they do not view as dangerous," the survey indicated.

Fifteen percent of the general population which was surveyed expressed a very negative attitude towards the Arabs, and 15 percent expressed an extremely positive attitude towards them.

Brigadier Har-Even of Van Leer Institute who asked for the survey, said that since the survey reveals that the motivations behind the attitudes of many are rational and concern security, the education system can point out to Israeli youth that every fifth student in Israel is Arab and that we must develop interaction among the various groups.

The chairman of the committee, MK Ora Namir, pointed out that the youth go to the Army and learn to fight the Arab enemy. They are unable to distinguish between good and bad Arabs, and this fact explains the difficulties of the Jewish majority in overcoming this problem.

MK Haika Grossman argued that the fascistic expressions of high school students prove that we are distorting the teaching of Jewish history when it comes to the subject of the preservation of human rights. MK M. Shamir said that "as long as there is no one watching over the Arab schools, there will be no equality."

9348
CSO: 4805

FIVE-YEAR PLAN SEEKS TO REGULATE LABOR MARKET THROUGH INCENTIVES

Amman AL-DUSTUR in Arabic 19 Jan 81 p 2

[Article: "Dealing With Jordanian Emigration Through Incentives, Not Bans; Regulating the Import of Labor in Accordance With Real Needs"]

[Text] Sources in the Ministry of Labor announced that the Jordanian labor market is now experiencing new conditions calling for a political formula that takes into consideration recent changes. Studies which have been prepared on the coming 5-year plan indicate that the scarcity in the market will continue over the term of the plan and, consequently, the personnel and population policy that will be adopted will be based on providing a balance in type and quantity in the labor market along with an attempt to influence the course of population changes in order to contain their negative impact.

Based on integration of the activity of the public and private sectors and the philosophy of economic freedom that constitutes the essential elements of Jordanian economic policy, the current plan does not postulate closing the door on the flow of labor into and out of Jordan but rather laying down temporary restrictions on the emigration of certain skills and regulating the importation of labor in conformity with real needs and changes in the national economy, particularly since Jordan uses as a basic premise the principle of Arab economic integration which, sooner or later, calls for freeing the movement of the components of production among the Arab countries, particularly the labor component, convinced that restriction is a passing arrangement required by exigencies of the regulation and positive control of developments of the labor market in Jordan. The plan recognized that the emigration of Jordanians abroad must be dealt with through the incentive approach, not by bans. On the one hand, the plan would provide incentives to stay in Jordan, and on the other, wherever they may go, it would watch over workers abroad in order to make this movement serve the worker and the country as much as possible. The incentives are of two types: the first involves levels of pay and the second is based on the maximum use of material benefits. Both are closely related to the announced development goal in previous development plans, that is, to allocate the gains of development equitably among the aarious sectors and segments of the population. Over all demand has increased as the result of rising incomes during the past few years and the rise in prices of imports, coupled with the great growth in these imports, and the flow of capital into Jordan as the result of its developing role as a financial and economic center in the area because of some developments in the area,

such as the events in Lebanon. All this has resulted in a rise in the average price level and, consequently, to a rise in the cost of living. Pay, therefore, now occupies a primary position whether from the standpoint of its effect on industrial relations, from the standpoint of its impact on living standards of persons of limited income and with their laboring or whitecollar breadwinners or from the standpoint of its role in prompting workers to move on to work abroad in search of higher pay levels. Therefore, the time has come to formulate a pay policy that will link pay with changes in costs of living which, by necessity, will require establishing a realiable index of living costs and also pay in Jordan.

The material incentives essentially involve providing housing for low-and middle-income people since rent eats up about one-third of wages, not to mention the fact that housing conditions may not be suitable in many population groups of laborers. The plan views housing as an effective tool to keep a worker in Jordan because, through loans and payments, it creates a material connection between the citizen and the homeland. The last important aspect of the material incentives policy is the expansion of social security to cover a larger number of workers, diversifying social insurances through health insurance, unemployment insurance and family grants to cover broad segments of the population. The plan recognizes that speedy adoption of social security with all its diverse areas might not be possible from a practical standpoint and undesirable in application. However, the next 5 years must see the emergence of a clear concept that keeps pace with the course of action in this field, avoiding hesitation and excessive caution. After giving these two types of incentives, housing and security, the importance which they deserve, there are no limits with regard to other incentives, which could involve communications, savings, recreational services, worker safety, etc.

In order to deal with specific bottlenecks in the labor market, the plan relies upon imposing selective restrictions on the emigration of certain skills and freeing up the import of these skills. However, it attaches particular importance to the policy of vocational training and education and regulating vocational work. It also seeks to balance supply and demand by a system managed by governmental or mixed quarters (such as imployment offices). At the same time, efforts must be made to increase the participation of women in the labor market as this would help to break existing and future bottlenecks in both quantity and type.

In order to implement the above people-oriented policies, there must be two appropriate frameworks of action: the first is a system to collect information and statistics on conditions of the labor market to help in adoption of the appropriate decisions, and the second is the legal framework which essentially involves modernization of existing labor legislation to keep pace with the spirit of the times and evolving needs.

8389
CSO: 4802

PROFIT-MOTIVATED FIRMS SAID MORE EFFICIENT THAN GOVERNMENT

Amman AL-RA'Y in Arabic 19 Jan 81 p 5

[Article by Fahd al-Fanik: "The Ministry of Public Works"]

[Text] The report of the financial committee of the National Consultative Assembly about the general budget raised the issue of the Ministry of Public Works which each year costs about 2.6 million dinars in current and recurring expense while not developing itself to provide any reasonable engineering service comparable to what a fine engineering consultant firm could provide with resources far less costly than the Ministry of Works.

Also, the ministry will spend huge capital appropriations of more than 15 million dinars during the year while not being able to undertake effective works on a par with any first class contracting company, k-eping in mind that the contracting companies in the country are still faltering, their deteriorating condition having begun to threaten future development projects.

The fact is that this discussion touches upon the traditional issue which acknowledges that the private sector, by its very nature, is more able than the public sector in any country and that the private companies, which are profit oriented and which are managed on businesslike bases, are always more capable, economical and superior to the government departments that are operated on the basis of rules, regulations and official redtape approved by the accounting office. Although these governmental departments continually reiterate that their purpose is not to make a profit, the fact is that because of poor management and inability, they could not achieve a profit or serve any other purpose except to squander money with no results justifying the expenditures.

The debate that has gone on should not get the Ministry of Works involved in an attempt to carry out investment or construction works in place of the specialized companies because, were such a thing to happen, it would be a disaster for the construction sector, both technically and economically.

If there has to be a response to the problem that has been raised, it should involve the necessity of cutting down the structure of the ministry whereby it would comprise a small technical unit, a planning unit, a design unit and some small administrative machinery. It would thereby be possible to reduce

the current co-ts of the ministry by 75 percent, confining its role to planning, setting up priorities and supervising the progress of activities, depending on engineering offices and specialized firms to undertake detailed study and implementation of projects. The huge cadre of idle engineers who spend their shifts discussing television serials and drinking coffee is a burden on the taxpayers and an enforced idleness of a number of engineers, not a real productive force. There is a strong feeling that the machinery of the state has been swollen beyond reasonable economic bounds for a country such as Jordan and it would be beneficial from time to time to check and rectify this situation.

8389
CSO: 4802

JORDAN, IRAQ DISCUSS SCIENTIFIC, TECHNOLOGICAL COOPERATION

Amman AL-DUSTUR in Arabic 19 Jan 81 p 3

[Article: "Jordan and Iraq Discuss Program to Use Solar Energy During 1981"]

[Text] Dr Albert Butrus, director general of the Royal Scientific Society, talked with Dr Najih Khalil, director general of the Iraqi Scientific Research Council, who is now visiting Jordan, about aspects of scientific and technological cooperation between the two countries.

There was also discussion of setting up an executive program in the area of the use of solar energy which the two institutions would implement during 1981 and in the areas of agriculture, heating and cooling, dealing with air and water pollution and research in the field of construction materials, in addition to defining areas of training in both countries for technical workers in the two establishments.

A work team from the Royal Scientific Society will visit Baghdad soon to get things underway.

Setting up this program is part of protocol on scientific and technical cooperation which encourages cooperation between the two countries in fields of scientific research connected with development, particularly in the area of exchanging scientific and technological information and exchanges between experts and researchers to solve technical and scientific problems involving issues of concern to both parties. It provides for setting up scientific conferences, courses, seminars and roundtables, establishing and implementing joint research programs and setting up fields of experimental research and model experiments for purposes of scientific research that will benefit both countries.

The meeting was attended by Dr 'Abdullah al-Khatib, director of the Planning and Development Department, Dr 'Abdullah Jaradat, director of the Mechnical Engineering Department of the society, Suhayl Sinawi, director of basic research in the Iraqi Ministry of Education, and the director of the Solar Energy Center in the Iraqi Scientific Research Council.

8389
CSO: 4802

WIDER EXPORT MARKETS SOUGHT

Paris AN-NAHAR ARAB REPORT & MEMO in English 2 Feb 81 pp 3-4

[Text] Leading Lebanese businessmen will be in Brussels this week for talks with the European Economic Community on expanding Lebanon's export markets. The delegation is composed of Khatchig Babikian, President of the Lebanese Management Association, Adnan Kassar, President of the Beirut Chamber of Commerce and Industry, Chamber of Commerce Vice-President Gabriel Badaro, Fouad Abi-Saleh, representing Lebanon's industrialists, and Victor Cassir, President of Beirut's Merchants' Association.

The talks were made possible by a Lebanese-EEC cooperation agreement which went into effect just over two years ago, and the businessmen will be joined in the Belgian capital by Marc Janssens, the EEC's delegate in Lebanon.

Historically, Lebanon's trade balance has been in the red. In the past the country survived thanks to the services it provided, and more recently it has got by on transfusions of money from abroad. In theory, this is a success story.

Lebanon has also boosted its exports; data available for the first nine months of 1980 show that industrial exports were worth LL 3,053 million ($795 million at today's prices) – an increase of 47 per cent over the corresponding period of 1979 and significantly ahead of the relevant rate of inflation. Fruit exports increased by some 20 per cent in volume.

What these figures fail to convey, however, is where Lebanon is selling its produce, a factor as critical to a country's economic planning as the amount of money exports generate.

Analysis reveals that in 1980, some 39 per cent of Lebanon's industrial exports went to Saudi Arabia, which also imported 29 per cent of Lebanon's exported fruit; another 20 per cent of industrial exports went to Iraq, but all other Arab countries together imported only 29 per cent and none took more than a single-figure share. Thus 88 per cent of Lebanon's industrial exports found their way to markets in the Arab world and a

mere 12 per cent to other countries. In 1978, non-Arab countries bought 18 per cent of those exports.

Lebanon in other words is putting more and more of its eggs into one basket and needs to widen its export markets if it is to guarantee a stable export trade for itself.

Many of the products made in and exported from Lebanon, such as canned chickpeas (a staple diet throughout much of the region) and paints, are also produced in Jordan or Syria. There is no more industrial coordination in the Near East than there is in the Gulf states. It is a gambler's world, not a planners's, and therefore could one day turn into a gambler's nightmare.

There is of course nothing inherently wrong with exporting a great deal to Saudi Arabia; it is a very rich country with an enviably broad market. But things could suddenly change. To put it fancifully, if it ever snows in Arabia, the exporters of Jordan and Lebanon will not survive the icy gusts coming out of the peninsula.

Foresight and commercial planning demand a diversification of markets. This creates problems, of course: the exporter with many customers is less likely to make glowing profits than one with a single client area. He faces fiercer competition too, may run into irritating regulations and find his customers more demanding. However, forward planning is the cornerstone of success.

In too many places in the Arab world, the *souk* atmosphere prevails. A *souk* is a place where people go to buy and sit to sell; in the modern industrial world the reverse is true. It is the seller who has to go out in search of markets.

There is no intrinsic reason why Lebanon should be any less successful in selling to Western Europe than Greece, which became the 10th member of the EEC last month.

The real potential, however, lies not in Europe but in Africa. Under the terms of the Lomé Conventions, the EEC has dozens of associate members in Africa and it is through the EEC that Lebanon should seek to expand its markets there. Before the closure of the Suez Canal in 1967, there were for instance a great many Kenyan products on sale in Beirut's supermarkets. The canal has now re-opened and there is no reason why it should not be used in a southerly direction as well as towards the north.

CSO: 4820

PRESS STATEMENT ON VISIT OF LEBANESE COMMUNIST ACTION GROUP

LD131902 Aden ANA in Arabic 1400 GMT 13 Feb 81

[Statement to the press on 12 February visit to PDRY by delegation of the Organization of Communist Action in Lebanon]

[Text] At the invitation of the YSP Central Committee, a delegation from the Organization of Communist Action in Lebanon paid a visit to the PDRY from 8 to 1981 [as printed] February, 1981. The delegation was headed by Brother Muhsin Ibrahim, secretary general of the organization and the executive secretary general of the Politbureau of the National Lebanese Movement, and included comrades Fawwaz Tarablis and Himmat al-'Id, members of the Secretariat and the Politbureau, and Nusayr al-As'ad, member of the Politbureau.

During the visit, the delegation met with Brother 'Ali Nasir Muhammad, secretary general of the YSP Central Committee, chairman of the Supreme People's Council Presidium and prime minister, and other party and state officials.

The delegation held comradeship talks with a delegation representing the YSP during which a review was made of the developments in the Yemeni and Lebanese fields, as well as in the Arab and international fields, and relations of struggle between the two sides.

The YSP affirmed its firm, principled stand on the side of the fraternal Lebanese people in their joint struggle with the Palestine resistance to check the Zionist aggressions in southern Lebanon and to foil the isolationist, imperialist, Zionist reactionary plan which aims at the partitioning of Lebanon on a sectarian basis and the imposition of the isolationist forces' control on the whole of Lebanon and at stripping it of its pan-Arab character and annexing it to Israel. The YSP expressed its full confidence that the [illegible] ring of the struggle alliance between the Lebanese national movement, the Palestine resistance and Syria will help to score victories in the struggle for Lebanon's independence, sovereignty and unity and to safeguard its Arab character and democratic development.

The delegation of the Organization of Communist Action in Lebanon expressed its extreme satisfaction at the anti-imperialist principled policy pursued by the PDRY and the changes that the PDRY is witnessing, as well as at the

constant work for the implementation of development projects, the improvement of the standard of living of the citizens and the development of democratic action in the mass organizations and the elected people's councils. It also expressed extreme satisfaction at the efforts being exerted to bolster the progressive regime and its defense capabilities, which reflect the growing position of the YSP and its leading role in the various aspects of life in the PDRY.

The delegation of the Organization of Communist Action in Lebanon also praised the PDRY's initiative in calling for a summit conference of the Gulf, Arabian Peninsula and African Horn countries to discuss the liquidation of foreign military bases. This initiative reflects the firm, principled line of the sound policy pursued by the PDRY and its role in the struggle for the security and stability of this strategic area.

The delegation of the Organization of the Communist Action in Lebanon also expressed its strong condemnation of the joint military maneuvers by the U.S. forces and the forces of the agent Qabus which are taking place in Omani territory and which constitute a serious threat to the independence and sovereignty of the PDRY and the peace and stability of the entire Gulf and Arabian Peninsula. The organization's delegation stressed the need for the liquidation of the imperialist military presence and to combat all attempts aimed at establishing suspect security alliances.

CSO: 4802

REPORTAGE ON CUBAN INTERNATIONALIST PROGRAM IN PRDY

Havana GRANMA WEEKLY REVIEW in English 21 Dec 80 p 12

[Article by Rodolfo Casals]

[Text] Fruitful Cooperation in 10 Branches of Economy and Services

EVER SINCE the South Yemeni Revolution started 17 years ago, on October 14, 1963, the Cuban people have followed events closely in this small country located in the southern part of the Arabian Peninsula. The revolutionary identity and close ties of friendship between the two countries have been strengthened by the presence of Cuban workers in Yemen who, with their daily efforts, have contributed and are contributing to the Yemeni people's struggle to overcome the backwardness stemming from 129 years of British colonial domination.

In late, 1972, the first Cuban medical brigade arrived in Lahej, capital of the second province, to begin civilian cooperation between Cuba and the People's Democratic Republic of Yemen.

Then came technicians and specialists in livestock, poultry farming, mining, fishing, tobacco growing, education and sports and professors of medicine.

The experience of the Cuban internationalists who have worked in Democratic Yemen for eight years has led to magnificent results, said Daniel Iglesias, head of the Economic Cooperation Office.

The most important of these gains are the setting up in 1975 of the Aden medical school, providing medical care to the second province; the work in poultry farming to supply the people with chicken meat and eggs; the start in 1973 of an artificial insemination program applied to cattle and sheep, setting up a laboratory to process semen, introducing the method of freezing semen pastilles, and selecting appropriate soil to plant light tobacco.

Iglesias told us that at present Cubans are working in four of the six provinces of the country in the fields of artificial insemination and poultry farming, in the medical school, on the medical brigade, in construction, fishing, education, sports, tobacco growing and maritime transportation. As part of the cooperation program, young Yemenis are studying in Cuba to be professionals or intermediate-level technicians.

Working in Democratic Yemen, says Iglesias on behalf of the Cubans in Yemen, gives us the double satisfaction of fulfilling our patriotic and revolutionary duty and partaking of the affection and appreciation for the Cuban Revolution, its leaders and the Cuban people displayed by the 2 000 000 inhabitants of Democratic Yemen.

One of the most outstanding of the Cuban civilian groups is that made up of comrades serving as advisers in the shipyards and ports.

Angel Martinez, Jorge Martinez and Jorge Rodriguez work in organizing all dock activity — loading and unloading ships, storage, training personnel, etc. — as well as training leadership cadres to supervise the work, while Victor Douglas, Heriberto Marturel, Antonio Enseñat, Manuel Mesa and Juan Parris, who serves as group chief, work in the repairs section of the shipyards.

"Our specific work," said Parris, "is to advise our Yemeni counterparts in the speciality of each comrade in our group. This doesn't mean that we don't participate directly in production whenever necessary, as in the case of a slipway we built recently."

When the specialists in maritime transportation arrived in Democratic Yemen a year ago, they were asked to undertake a study of the ports and shipyards in order to pinpoint the problems that were affecting production. A month later they presented their proposals, many of which have been infplemented:

- installing a gantry crane in the repair shops;
- enlarging the hull, metalworks, machinery and electric shops;
- clearing out the yards;
- improving environmental conditions;
- using safety equipment; and
- reorganizing the shipyards in line with work flow to achieve greater productivity.

"In addition," Parris said, "a flow of information has been established between the cost, financing and accounting departments, local technicians have been trained in the operational planning of production and classes have been given in planning, technical drawing and electricity."

In recognition of the exemplary work done by this group, the Ministry of Transportation of the People's Democratic Republic of Yemen has asked them to stay on an additional six months after their year is up.

First Generation of Doctors in the PDRY To Graduate in 1982

After obtaining independence following four years years of heroic armed struggle on November 30, 1967, the people of South Yemen started the struggle against the tremendous backwardness present in all sectors of society which was a legacy of colonialism.

In a country where malaria, parasitism, cholera, tuberculosis, bronchopneumonia, anemia and gastrointestinal diseases, among others, were widespread among the population — especially among children — when the Revolution was victorious there were only a dozen doctors and they were all in urban areas.

To overcome the lack of medical care, Yemeni students were sent to the USSR, Cuba, the GDR, Bulgaria and other countries, and medical brigades from several countries provided aid.

Since late 1972, when the first Cuban medical brigade arrived, Cuban personnel have been ministering much of the medical care for the people in the second province.

The members of the present brigade — internists, odontologists, pediatricians, orthopedic specialists, surgeons, obstetricians, gynecologists, nurses, lab technicians and X-ray technicians — are working, as in the case of previous brigades, at the Martyrs of Abbas Hospital in the city of Lahej which has 153 beds, seven offices for outpatient care and an emergency ward.

From May to September, a total of 40 070 patients were treated on an outpatient basis in the emergency ward or in checkups, and 1080 operations were performed. In the same period 1121 people were hospitalized and there were 28 deaths, 18 of them children.

"The most serious problem was late hospitalization, that is, the delays of some people in going to the hospital or taking their children or other relatives," said Teresita Argulagos, head of the 7th medical brigade.

On the same subject, pediatrician Adolfo Mesa said this was due to a certain lack of health education on the part of the people as a result of the exploitation and neglect to which the country was subjected by colonialism. However, both doctors explained that notable progress has been made in the drive to eliminate old habits, thanks to the government health policy, in spite of the lack of personnel and resources.

As a definitive and long-term solution to the problem, in 1973 it was decided to set up a medical school in the country, and a Cuban delegation undertook the studies required to carry out the project.

After having overcome many problems, the medical school opened its doors in 1975 with 54 intermediate-level students of modest origin, in wooden rooms with zinc roofs.

"Ever since the school was opened, the teaching has been done by Cuban doctors with considerable scientific knowledge and teaching experience," said Dr. Nelson Bustamante, a specialist in urology. Now, as an indication of the progress being made in this very important branch of the social services, the first year courses are taught by Yemeni professors with Cubans in an advisory capacity.

Pediatrician Sandalio Durán, who heads the teachers, said the objectives of the teaching group are to train internists and prepare their Yemeni counterparts to teach. The initial results will be seen in the coming years, but this is not to say that the problem will be fully solved, since this is a long-term project.

Biochemist Lidia Cardellá said students at the school do very well, they present fine papers and on graduating will have a good scientific grounding. Another indication of the progress made, which also shows the accomplishments in the drive for bringing about the equality of women, is the fact that in the first class 23 percent of the students were women but by the second, the figure had climbed to 75 percent.

Durán said the program is very similar to the one in Cuba and now they already have three teaching hospitals: the Al Ghomuria clinical-surgical, the gynecology-obstetrics and the Mansura children's hospitals.

Five years have passed since the medical school was opened in the PDRY and, not counting the new students in the 1980-81 school year — roughly 80 — there are 309 students: 82 in second year, 58 in third, 65 in fourth, 52 in fifth and 52 in sixth. The Cubans are also training 25 Yemeni doctors to serve as professors.

The hard work and dedication displayed by the Cubans who fulfilled internationalist missions here in the past, those who are doing so now and the brigade that will be working here next year will make it possible for 52 Yemeni doctors to graduate in 1982. This is the first class in the school and the largest in the country's history.

Notable Progress in Poultry Farming and Artificial Insemination

Two of the branches of the economy where the results of the work done by Cuban internationalists is most evident are poultry farming and cattle breeding, which were practically unknown in Yemen before the start of the cooperation program between the two countries in late 1972.

"When the first Cuban poultry specialists arrived in Democratic Yemen there was only a run-down farm in the fifth province," said Nelson Granados, a specialist in fowl pathology and one of the advisers who now helps out in production-planning, veterinary medicine, genetics, incubation and nutrition.

Thanks to the work of Yemeni personnel and Cuban advisers, 14 poultry complexes have already been built: two incubation sheds, a feed-processing plant and 11 farms. All Yemeni workers were trained by the Cubans.

Granados explained that in order to set up poultry farming in Yemen, Cuba supplied the top quality and internationally renowned breeders (fertile eggs and fowl). The objective was to produce both eggs and meat.

Currently the poultry farms in Democratic Yemen contain a total of 70 000 layers, 5000 reproducers of the layer strain, 5000 meat producers and 8000 solely for breeding purposes. This year plans are aimed at producing about 14 million eggs and about 200 tons of meat.

The animals are in good health and the outlook is for steady improvement and growth of stocks and increased output of eggs and meat, which are in great demand in this country of barely two million people, Granados said.

The Yemeni officials in charge of poultry farming have repeatedly expressed their appreciation for the work done by the Cubans who have also helped increase the life span of fowl through adequate care, better organization of the work on farms, a balanced diet and preventive medicine.

Along with poultry farming, artificial insemination was introduced in Yemen by Cuban personnel who initially trained local technicians and are now working in an advisory capacity.

The Cuban brigade now in Yemen includes veterinarians and inseminators and is headed by agronomist Marino Dominguez. They are in charge of two dairies and two sheep breeding stations in the second province, three dairies in the third province and three sheep breeding stations in the fifth. They also provide technical aid to the Nasser Institute of Agronomy where, along with the students, they have set up a science club on insemination.

The work of artificial insemination, said Dominguez, began several years ago with top quality semen sent from Cuba. Later on, Bulgaria donated ten holstein studs with which the Artificial Insemination Center was set up and Cuban technicians started turning out locally produced semen which was then frozen into pastille form. Then came a further Cuban donation of frisian-holstein semen.

Now only six of the Bulgarian animals are active, but there are two frisian offspring of the Cuban studs. There are 1078 cows, 200 heifers and 1736 sheep involved in the insemination program.

The members of the Cuban brigade are now working on the selection of animals for a cross-breeding program which, in the case of cattle, could involve a cross with the Cuban zebu. In this case a multipurpose animal could be obtained which would resist the rigors of the weather and not have the problems of the frisian or holstein in the summer (May-September) when, due to the high temperatures, they barely produce milk and their mortality rate increases.

Last year the efficiency rate for cattle insemination was 38.5 percent, four percent greater than in 1978, the goal for this year is 42 percent. For sheep, which are more numerous, the peak rate reached so far has been 62 percent and the goal is 85-90 percent by means of a project that includes inseminating all available animals every five and a half months over a period of two months.

This insemination of sheep in two yearly stages is being undertaken by the brigade in an experimental manner so that births and weaning will coincide with the period in which the country produces the most fodder. This is aimed at producing 1.5 animals per year with a view to increasing gestation and thus, the stocks in Democratic Yemen, Dominguez explained.

CSO: 3020

BRIEFS

MILITARY BENEFITS LAW--Brother 'Ali Nasir Muhammad, secretary general of the Central Committee, chairman of the Presidium of the Supreme People's Council and chairman of the Council of Ministers, has promulgated a law on pensions and remunerations for military institutions. The articles of the law have specified the types of service acceptable or unacceptable in the assessment of pensions and remunerations and cases under which pensions become due. It also specifies rules for settling retirement pensions and cases under which remunerations are settled. The provisions of the law have also specified those entitled to pensions on behalf of a martyr or a deceased person; degrees of disability, compensation, the regulation and payment of retirement rights and remunerations and cases under which retirement pensions are stopped. The remaining articles of the law stipulate that it shall be effective from the date of its issue and be published in the official gazette. [Text] [LD181952 Aden Domestic Service in Arabic 1630 GMT 18 Feb 81 EA]

PATRIOTIC FORCES' ACTIONS--Cairo, 18 Feb (MENA)--'Abd al-Qawi Makkawi, secretary general of the national grouping of patriotic forces in South Yemen [PDRY], has called on the United Nations, the International Red Cross and Amnesty International to intervene to save hundreds of thousands of Yemeni victims now suffering under the yoke of the authorities in southern Yemen. He accused the ruling regime in Aden of carrying out Soviet instructions and acting as a bridgehead against neighboring Arab and Islamic countries which uphold Islamic values. He added: We will spare no effort to use all possible means to liberate the occupied South Yemen from the Marxist forces. At a press conference he held today, Makkawi said that forces of the national grouping have seized an area north of South Yemen and that this area will be used as a springboard for military operations against the present regime in Aden. The forces of the ruling regime, he said, will not be able to storm this area because it is fortified on all sides. He added that the coming days will witness intensive political and military moves against the prevailing conditions in South Yemen. Makkawi urged the Cuban Government to withdraw its forces from Aden in keeping with the nonalignment policy, and also to stop interfering in the domestic affairs of Aden. [Excerpts] [NC181537 Cairo MENA in Arabic 1425 GMT 18 Feb 81]

CSO: 4802

EFFORTS TO UTILIZE GAS RESOURCES DISCUSSED

Damascus AL-BA'TH in Arabic 7 Jan 81 p 6

[Article by Sa'dullah Khan: "Gas, How to Stop Wasting This Important Element?"]

> Since the exploitation of oil in Syria began, the gas produced from it has been flared. But, with the progress now being made, along with that progress' need for increased energy, and the rise in oil prices, along with the rise in gas prices, made it necessary for the country to stop this waste, and to derive benefit from the gas.
>
> Associated gas: this is dissolved in the oil. Its production is tied to the production of oil in the fields.
>
> Nonassociated gas: this kind lies over water molecules in accumulated strata. Sometimes it contains light petroleum elements.

[Text] The Syrian oil fields' administration used oil-associated gas for the first time, as a source of energy required especially for pumping stations in Suwaydiyah and Tel 'Adas. However, it stopped doing that when corrosion problems were observed in the turbines, and nonassociated gas was substituted for it. Since the associated gas contained quantities of hydrogen sulphur, which lowered its price, and required large sums of money to make it useable, the use of associated gas was stopped, and it has continued to be flared since that time. However, the price of oil, along with gas, has gone up. The country decided to stop this waste, which amounts to about 240 million cubic meters annually. Apart from stopping the use of associated gas from subterranean strata, estimated at 60 million cubic meters a year, in order to use it in the gas turbines located in the fields, an associated gas treatment plant should be built to sweeten it, in order to make it suitable for use without danger to the gas turbines. The distillations can also be recovered for home consumption purposes and other uses which have sprung up recently. All this makes the effort to obtain this material, by the most economical means, necessary.

Because of the waste of this enormous quantity of gas since production began, the building of this project is considered among the urgent economic matters.

Going Along With Oil

With expansion of demands for the use of gas in the world, it is not surprising that its price is keeping pace with oil prices, because of these increased requirements.

In Syria, quantities of associated gas (the one that accompanies the extraction of subterranean oil) are consumed by being flared. Numerous studies have been made, all of which refer to the need to exploit the gas economically in view of the importance it occupies as an alternate for oil in many areas.

The amount of associated gas which will be produced, if the plant is built, is estimated at 195 million cubic meters by 1990.

Geological reserves of this gas, from the al-Suwaydah, Ramaylan, Karatshuk and 'Alayan fields, is estimated at 34 billion cubic meters of gas. As for production capability, it was estimated at 9.8 billion meters, and a "Jibsah" reserve of associated gas, along with the rest of the neighboring fields, of about 1.75 billion cubic meters.

That was contained in the report of the energy conference held in Syria, prepared by Eng Nader Nabulsi, assistant to the Minister of oil.

The Plant

A contract was signed in 1979 to construct a plant to use this gas. Its theoretical capacity is 660,000 cubic meters of normal gas a day. The accumulation of gas will be from nine fathering stations. The plant's cost will amount to $60 million, and it is expected to be in operation in the second half of 1982.

In the face of the rise of world prices, and the escalation of gas prices which followed, the country decided to make use of gas by means of building plants, or to inject part of it, in order to form a pressure force on the subterranean crude oil, under the oil dome.

The gathering of gas will be done through a 52 km network of gathering stations, a main measuring station, and nine stations, distributed in Karatshuk, Suwaydiyah and Ramaylan, to the plant centers, near the second principal gathering station in the al-Suwaydiyah field. Moreover, a line will be built from the plant to Tel 'Adas, in order to transport the gas, with a total maximum capacity of 107,000 cubic meters a day.

It is expected that the plant will produce about 55,000 tons a year, with expected increases. A French company has been awarded the contract to build the plant. the work will be completed in 28 months, by the middle of 1982.

Nonassociated Gas

As regards nonassociated gas, the country has asked for international bids for a complete study of the reserve amounts of this gas, and the economic feasibility of exploiting it. It is assumed that that will be completed close to the end of 1981. In light of these studies, a look will be taken at circulating bids for the construction of a plant to be built in "al-Jibsah," near the city of al-Hasakah. The amount of nonassociated gas and the gaseous dome are estimated at about 90 billion cubic meters.

The first and second stages will be carried out by the Ministry of Oil and Mineral Wealth. After they are completed, the finished study will be submitted to the World Bank.

Third Stage

This is the stage of design and construction of the gas treatment plant and ancillary installations for the fields. The time required to build the plant is estimated at 4.25 years, i.e., completion date during the first quarter of 1986.

To Fulfill Consumption Needs

Generally, gas in Syria represents energy that is second to oil in importance. It is either wasted now, as is the case with associated gas, or in need of further studies and analyses, in order to ascertain its reserve amounts. Building the gas plant will fulfill the requirements of the country's northern and eastern regions for all household uses, in the first stage alone.

The country's consumption, at the present time, amounts to about 128,000 tons of gas. The Homs refinery produces 40,000 tons. The Baniyas refinery is still in experimental operation. If it operates at full capacity, it will produce about 100,000 tons.

In short, in 1982 after the associated gas plant and the Baniyas refinery are operational, in addition to Homs, we will be producing about 190,000 tons, at a time in which consumption will amount to about 140-150,000 tons. Therefore, we should not have to import, and we should have surplus production over consumption needs.

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REASONS FOR SUGAR PRODUCTION DECLINE DISCUSSED

Damascus AL-BA'TH in Arabic 5 Jan 81 p 6

[Article: "Sugar Between Production and Imports; Encouraging Cultivation of Sugar Beets Necessary for Operation of New Factories"]

[Text] Syria faces large shortfalls in the production of foodstuffs, bearing in mind that it is a first-rate agricultural country, with agriculture considered to be one of the principal sources of national income. However, not seriously exploiting natural materials has forced the country to import certain necessary foodstuffs, instead of producing them domestically. Among these necessary commodities is sugar, since large quantities of this material are required to cover consumer demands, and to supply the large needs of agricultural food processors, who depend on sugar as a raw material. Inasmuch as this material is a necessity, then its supply must be commensurate with the increasing demand, because of population growth, rise of individual incomes and improvement in the standard of living.

Depending on imports to ensure its supply would cause the situation to constantly worsen, if production circumstances remain as they are now. However, the problem of lack of supply, production acceding to domestic consumption requirements, and supplying domestic industries with required raw materials will become worse, year after year, and will widen the gap between production and consumption, as a result of population increase and annual rise in incomes. Meanwhile, the increase in production materials remains relatively slack, which leads to dependence on imports and expenditures of large sums of the country's revenue, in terms of foreign currencies, instead of using that for growth projects, causing a downturn in economic growth rates, in addition to the refusal at times of the food-rich, advanced nations to export foodstuffs to the country, thereby fabricating crises. This places us in a critical situation, at the mercy of those nations to bring various kinds of pressure to bear against us. This necessitates serious efforts to find and provide this material locally, as much as possible, to keep from importing, and to overcome the obstacles which might stem from problems connected with this. Therefore, the important thing is to find the connecting link between production and consumer requirements, since it has been proved successful to produce sugar beets in this country.

Based on this, the production of sugar beets, and the study of their cultivation problems, is of considerable importance, in view of the fact it is impossible to put an end to any problem, until one has learned and identified the underlying reasons. Therefore, we shall explain the problems and difficulties which stand in the way of

developing this crop. Then, we shall try to study effective ways of solving the problem and eliminating the difficulties. Or at least minimize them.

It is worth noting that the government has shared in solving some questions connected with prices set for buying sugar beets. It nearly doubled the purchase price, while keeping the other problems, relative to cultivation and trading, pending. However, the interest in manufacturing sugar in our country basically has stemmed from expanding consumption and a constantly increasing demand, resulting from rising national income and population growth. This prompted economic circles in the country to embark upon expansion in production and processing of sugar beets, and to allocate the necessary money to build new factories, during the years of the fourth five-year plan (1976-80).

The country spends large amounts of hard currency on importing sugar, both white and red crude, since the three sugar factories that existed in the country, in Homs, 'Ilira and al-Ghab, were dependent on refining red crude sugar, imported primarily as a raw material for the extraction of white sugar, because of the shortfall in the quantity of sugar beets produced, which was insufficient to keep the existing factories operating at their production capacity.

Food and agricultural industries occupy an important place in the life of the country. This is because of their commitment to feeding the citizenry, and because of their being dependent upon agriculture to provide their raw materials. The sugar industry also occupies an important place among the agricultural food industries. However, this industry's development appears to be very slow in view of the present difficulties which stand in its path.

Some of these difficulties are common to all kinds of industry. Others are specific to one particular industry. The world food crisis, which has gotten worse in recent years, and which is expected to increase in severity, demands that this industry receive more attention and concern. Moreover, the nature of an agricultural country has a serious justification for pursuing it, and benefiting from its social and economic advantages. It should be mentioned that this country's sugar industry began in the second half of the 20th Century, following the end of WW II, and the sugar shortages that followed it at times, along with the use of ration tickets for unrefined red sugar at other times.

This called for more factories to be built and various processing capabilities established.

This was in addition to factories which were located in Homs, Jisr al-Shughur and 'Ilira.

It would be of benefit to mention the actions taken to operate sugar factories at their maximum capacity. This came at an appropriate time, in view of the fact that conditions were right for increased production, because of the extent of consumption, in addition to instructions given on behalf of expanding the sugar beet crop.

However, the quantity of sugar beets produced was still below these factories' needs. Moreover, the nature of the beet season, which fluctuates between 90 and 120 days, allows the use of the equipment for the refining of raw sugar imported from abroad. These could provide the country with basic sugar material for the citizenry, in

addition to important, annual products. These are the green beet leaves, which are used as fodder that the farmers give directly to their livestock, and the pulp left over from the beets, after the sugar has been extracted. This is pressed and dried and becomes a preservable material, used as excellent fodder for livestock. The molasses and sugar solution, which remain after the red sugar and salts, and are used as livestock fodder also, or as raw material for the production of several important materials, such as yeast, alcohol, citric acid and acetone.

Difficulties and Obstacles

Despite the time that has passed since the sugar industry was established in the country, and despite the building of more, modern factories, this industry is still suffering from many problems, because the newly-built factories have not established an effective presence and economic feasibility, and have not entered an effective production range, despite the extraordinary efforts expended to operate them, in order to completely satisfy domestic consumption in the country. This is in addition to many other difficulties, manifested by the unavailability of skilled workers in the newly-built factories. This is a most important matter. This problem shows up seriously in those factories that have advanced technology, because of their location in non-industrially developed areas and their lack of industrial infrastructure.

Shortage of Raw Material

The biggest factor, with respect to this industry, is clearly the shortfall in agricultural raw material. The quantity of sugar beets produced is certainly below factory needs in the country. Therefore, their opinion is small, and their equipment is not fully utilized. This of itself affects the economics of this industry, since the industrial capacity available in the country is approximately 35,000 tons of beets annually, whereas we note that the quantity of beets produced, during the last few years, is considerably less than that, despite the more than 25 years since this crop was introduced.

If we take into account the capabilities that the new factories will make available, with the beginning of their use during the next 2 years, requiring more than 1,250,000 tons of sugar beets, we can imagine the enormous efforts which ought to be made to raise production by this amount, during the remaining short period of time.

The cost of the raw material rises annually and is reflected in the costs of the finished porudcts. Consequently, it affects their economics and doubles the possibility of foreign product competition. That is attributable, in the first degree, to a decline in agricultural productivity, i.e., the number of tons per dunum or hectare.

Speeding Up the Farmers' Work

Farmers many times suffer from certain difficulties which hinder the process of delivering the crop to the sugar organizations and depress the value. They are forced to wait for long periods of time, although there are important priority rights which the government has placed on this matter.

Improvement of Working Conditions in the Factories

Work in some of the factories is not properly done, which reflects on the plant's productivity and on the products' cost. This is attributable to low consciousness on the part of some employees in this industry, and their lack of concern about the importance of the sector in which they work.

Recommendations

The authorities concerned with this matter say that suitable expertise must be provided for workers in the sugar industry, by sending them abroad for training courses, in order to develop the industry, to send for foreign experts for this purpose, and to try to attract technicians and engineers and grant them special privileges, in order to make them want to work in the sugar plants. This could be done by granting them privileges superior to the benefits granted workers in the governmental organizations. Ensuring an expert workers in the government organizations. Ensuring an expert workforce must be expedited, in order to keep pace with the ambitious expansion plan which the country has adopted in the next five-year plan.

The existing and new plants must be equipped with an inspection system, which will immediately detect any flaws in the factory, and any waste occurring in any stage of production. The necessary spare parts must be provided for all factories. Work must be done on drawing up a plan for manufacturing these parts within the company or to establish a supplementary factory to produce the spare parts on the national level, in order to provide the public sector factories' needs. It has become necessary, at the present time, to investigate another non-country of origin source to provide the spare parts required for these factories, in order to avert any contingency.

Then, the Ministry of Agriculture must be convinced of the need to bolster the beet crop in the country, concentrate efforts on increasing cultivated acreage, raise production and the use of machines on cooperative association lands, increase the instructional and consciousness campaigns, in order to achieve gains on the highest possbile level, and to provide means of transport required to ship the large quantities from the land to the factories.

In view of the problems besetting the Jisr al-Shughur factory and the rest of the other factories, stemming from the paucity of technical and specialized personnel, and in view of the difficulty of attracting these elenents to work in the factories, we propose the following solutions:

1. Expend the construction of housing units near the factory, for the use of technicians and specialists, in addition to granting them financial benefits.

2. Select a number of industrial or scientific secondary school diploma holders from the Jisr al-Shughur area itself, and send them at state expense to specialize in various areas where they can be made use of.

3. Send other numbers of these diploma holders to sugar factories in foreign countries, advanced in this industry, for a limited time, in order to train in various parts of production.

It can be said that white sugar is one of the basic and important materials in feeding the citizenry. It must be produced domestically, so that the country does not remain subject to the domination of monopolistic sources of the commodity, as well as the intense fluctuations of prices. Domestic production of this commodity will compel us, of necessity, to allocate vast areas for the raising of sugar beets. Therefore, the value of agricultural production will increase, and will result in an increased production of this commodity, and consequently, an increase in agricultural income.

CONTROLS OVER TRADE AGENCIES ADVISED

Abu Dhabi AL-ITTIHAD 19 Jan 81 p 3

[Article by Fathi Razaq: "In the Absence of a Law to Regulate Trade Agencies?"]

[Text] Fraud By Some International Companies Under Pretext of Agent...and Exclusive Agent.

Sharjah Chamber of Commerce Administrator General: We Must Hasten to Issue the New Law.

Does the public agent, or the individual agent, have the prerogative in the distribution of goods of the principal or original company situated outside the Emirates?

In other words, does the citizen who is the agent for any international company have the only prerogative in the distribution and production at the level of all the Emirates, or only at the level of the Emirate from which he obtained his license?

Is it the right of the international or multi-national company to give this special right or (agency) to more than one agent in the Emirates? In the case of disputes between the principal company and its agent or agents, what should be the roles of the chambers of commerce and the municipalities in solving the conflict, and which side should they take? Is there a role for customs or the ports in this problem?

The problem began with the commercial and economic development in the Emirates. It disappears for a time and comes back into the light again every time a problem arises or there is a dispute between the principal company and its agent or agents.

Since the days when the problem of the trade agencies appeared again, the traditional question has changed to a controversial issue. Where is the law for the control of trade agencies, the law which controls the entire activity and sets checks and constraints, and defines the rights and duties and protects the rights of all? Why is there a delay in the issuance of this law in spite of the fact that there was previously a plan to prepare a law for the trade agencies in 1975...and then a new law plan was set in 1980...It was discussed by the chambers

of commerce and the municipalities which gave suggestions and brought forth observations. The law has not been issued to date and the problem continues to rear its head from time to time.

In the municipal offices and the Chamber of Commerce and Industry in Sharjah there is a new chapter taking place in the story of disputes between the trade agencies which command the production and distribution of international products. This time the dispute has broken out between one of the local companies acting as the production and distribution agent for one of the international companies, and between the other agent in the company. They are both agents for one company, but the first considers himself the only one with the exclusive rights over production and distribution, and the other insists that he has the same rights. The problem began and progressed to the point of notices in the newspapers.

So the question now is for how long will the problem of regulating the trade agencies continue without a solution...by municipal authorities, the chamber of commerce, or the Ministry of Economy? In the absence of a law to govern the entire activity, what is the role of customs and the port in facing this problem?

AL-ITTIHAD presented this problem to the officials of these organizations in Sharjah and these were their answers..

At the outset there was no doubt that an authority be designated the right to issue the trade agency license, but would it be the Ministry of Economy and Trade, the municipality, or the chamber of commerce in each Emirate? If it was inevitable that each authority have a role in the issuance of the license, would there be effective coordination between them prior to authorizing the issuance of the new license? 'Abd al-Razeq al-Hajazi, Administrator General of the Sharjah Chamber of Commerce and Industry, answers here, first defining the current role of the Chamber in relation to the issuance of the trade agency license saying, "The Chamber undertakes the registration of the agency--considering it one of the commercial entities in the Emirate--under stipulations that, briefly, there be an agreement or convention between the principal or original company abroad and the agent or citizen in the Emirate, and that the agreement be authorized by the Chamber of Commerce and the Ministry of Foreign Affairs of the country of the principal company, or by its embassy in the Emirates. Immediately upon confirmation of this action we at the Chamber will register the agency."

An Area of Appeal

In the opinion of the administrator general of the Sharjah Chamber the problem began after the Emirates became an area of appeal for international trade agencies and companies. Afterwards there appeared an urgent necessity for regulating the activity of these agencies within the country in order to protect the agent and the consumer, and in order to exact control as regards violations by the agencies and to impose a boycott on the principal companies whose fraudulence has been established, by revoking their agencies. Not only this but the control of this activity would inevitably include the confronting of counterfeit activities in which agencies resort to the production of some goods not from their original country, and then the agencies display them at the same price as the original goods; so begins the fraud and the like.

From here there was no doubt about the issuance of a law to regulate the trade agencies. The draft of this law was presented for the last time to the chambers of commerce and the municipalities last year. It was discussed and recommendations and suggestions sent concerning its subject matter, but it has still not been issued. So, it is also not possible to regulate the agencies until after the issuance of the law concerning the agencies on the national level, not on the level of each Emirate. This is not all, as there is no doubt that there will be a unified code issued to apply the law in all the Emirates, regulating the issuance of licenses and designating the authority of the chambers and municipalities and the role of the Ministry of Economy and Trade in order that the principal company does not obtain more than one license at one time within the Emirates.

Agency for the Citizen Only

The administrator general of the Sharjah Chamber of Commerce believes that the law for the agencies will without a doubt curtail the activity of the agent or agency with the citizen only, whether it be individuals or companies or owned entirely by the citizen. How often a citizen is given an agency for which he undertakes all the work and responsibility in the Emirates as long as he is at all capable of covering the needs of all the Emirates by opening distribution centers in other Emirates in which there is no agent. At the same time he demands that it be designated by law that the citizen have the right to own only one trade agency.

This gives an example of what goes about in the design of the law to regulate the trade agencies when it was determined that it is permitted for the principal or the original company to agree with one agent in each Emirate, meaning that the distribution of goods in competition would be restricted to within the Emirate. Here one authority must be designated to register the agencies, coordinate with other authorities, define the role of the chamber of commerce in registration activity, all in order to achieve the necessary protection in confronting the commercial corruption, deceit, and fraud of the principal international companies in granting agencies. It is unclear as yet if whether the agents of action for the agency will be due to being branches for production or distribution so that the agent, public agent, or exclusive agent will not become a tool for the fraud of principal companies outside the Emirates.

[illegible] to Enact the Law

[illegible] Administrative Director of the Sharjah Chamber of Commerce, adds that in order to settle the problem we will eventually have to [illegible] that there be one agent for each company in each Emirate, and that contracts be authenticated before they are authorized. He now depends on [illegible] and convention, on registration is carried out in accordance with the contracts and agreements between the businessmen and the companies, and we cannot refuse the registration as long as there is such a contract. The most comprehensive solution to this problem is the issuance of the law to regulate the trade agencies.

[illegible] of the principle [illegible] wants to trade under the patent of the [illegible] or public agent...what is the position of the customs...do they permit the entry of the imported goods in competition for any individual as

long as he has a license? Muhammad Saleh, Assistant Supervisor for Sharjah Port, answers that the important thing, first of all, is that the port laws provide for the well-being of port activities. This is summed up in that the goods or products are shipped on one individual's or company's account and that a representative of the ship and the importing company, or an agent thereof, be present to settle the cost of the goods or the remainder of its cost, freight costs if there are any, and port and customs fees. Then it is ensured that the goods are due in fact for Sharjah Port. If the goods were imported on the account of another agent and not the authorized agent, this is not the responsibility of the Port, and it is the responsibility of the exporting company to care for its export to the authorized agent.

Chamber Agreement First

'Ali 'Abdallah Al-Sirri, official for the Sharjah Port and Harbor, added that the commodities or a shipment are usually registered on the ship's papers with the owner's name as well as the individual or agency fixed on the front.

If the chamber of commerce and the municipality were foremost authorities in countering this problem at the level of the Emirate...and if the Chamber of Commerce in Sharjah thinks that expediting the issuance of the law to regulate the trade agencies activity, along with an executive bill, is the only solution, how does the municipality view this problem...'Abid 'Isa, Administrator General for Sharjah Municipality, says that the problem of the trade agencies has various dimensions, and that we were hoping that the plan for the agencies law would come into effect, especially since the competent authorities such as the municipalities and the chambers of commerce discussed this in earnest and submitted observations on it.

In the Absence of the Law

As the Administrator of the Sharjah Municipality says, the law effectively regulates the agencies' affairs and gets rid of the problems which appear from time to time. In the absence of this law we attempt to rely upon the general foundations of laws in effect governing agencies both regionally and internationally. We also depend upon the trade license system which we are now using. At the same time, the municipality, on its part, is attempting to continue to solve the disputes and settle them between the various sides as concerns the activity of the agencies, and we have effectively succeeded in solving many of the problems.

'Abid 'Isa, administrator general for Sharjah Municipality, believes that it is urgent to expedite the issuance of the law for the agencies so that there will be one entity to apply the law at the level of the Emirates. We ask that we be given the opportunity to discuss this vital matter at the meetings of the Secretariat General for the municipalities. We have previously discussed municipal laws such as the trade license and the public health law, which was affirmed.

The Most Urgent Question

So then... if the first plan for the law to regulate the trade agencies in 1975 has not been issued...then the plan for the new law which was discussed in 1980...which

includes 30 articles and regulates the entire activity...will eliminate the problems...and set limits and constraints...and protect the agent's interests and the consumer's interests...as it will protect the interests of all...for the final and most urgent question...why hasn't it been issued...and if there are new changes in it...and will it come about soon...the p oblem has returned again and must be countered quickly before it increases!

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AUTO IMPORT FIGURES--JAPAN OUT FRONT

Abu Dhabi AL-ITTIHAD in Arabic 26 Jan 81 p 11

[Article: "Automobile Owners in Emirates Prefer Japanese; Vehicles entering Emirates Reach Weight of 83 Tons and Value of 1292 Million Dirham in One Year"]

[Text] At the top of the list of imports every year are automobiles and transportation equipment.

At the top of the imported automobiles are the automobiles and equipment imported from Japan, which represent half of the number of imported automobiles. Behind the Japanese are the American autos, and then the other types.

The value of automobile and transportation equipment imports during the year 1979 amounted to about 9802.7 million Dirham out of the total value of all imports of 26642.4 million Dirham.

Private automobiles, buses, lorries, and large and small transportation vehicles make up a large percentage of the amount.

According to the customs statistics from Abu Dhabi, Dubai, and Sharjah from 1979, we find that their value amounted to 1292,458,000 Dirham, and their weight came to 84,530,000 kilograms. The largest amount came by way of Abu Dhabi (651,605,000 Dirham and 47,152,000 kilograms), then Dubai (520,157,000 Dirham and 31,998,000 kilograms), and then Sharjah (120,236,000 Dirham and 14,380,000 kilograms).

Japan occupies first place among the nations which export transportation equipment to the Emirates, as the country imported various means of transportation from her [Japan] in 1979 totaling 480,928,000 Dirham and 34,324,000 kilograms. The United States came in second place, exporting to this country means of transportation totaling 311,740,000 Dirham and 17,991,000 kilograms.

The Emirates import various means of transportation from many countries in addition to Japan and America, like West Germany, Britain, France, Sweden, Spain, Canada, and the rest of the countries which manufacture and assemble automobiles.

In considering the amount of private automobiles we find that the statistics indicate that the Emirates imported private automobiles in 1979 coming to a value of 720,429,000 Dirham and a weight of 40,135,000 kilograms.

It is not strange that the Japanese autos are the most widespread in the Emirates, as Japan's share in the overall total value was 457,959,000 Dirham (at a weight of 23,976,000 kilograms)--that is the Japanese automobiles make up almost 50 percent of the total number of automobiles that the country imports. In second place of course were American automobiles. The value of imported American automobiles in 1979 came to 160,841,000 Dirham at a weight of 9,046,000 kilograms.

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